January 1973

UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

UNIFIED APPROACH TO DEVELOPMENT ANALYSIS AND PLANNING

CASE STUDY: TRINIDAD AND TOBAGO

by

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UNRISD/73/2
GE. 73-1493

PREFACE

The United Nations Research Institute for Social Development, the United Nations Social Development Division and the United Nations Economic Commission for Latin America are jointly conducting a study on the "unified approach to development analysis and planning", in accordance with Economic and Social Council Resolution 1494 (XLVIII) and General Assembly Resolution 2681 (XXV). As part of the research for this project, a series of country case studies were commissioned, with the financial support of the Canadian International Development Research Centre.

The present study of Trinidad and Tobago has been undertaken by Mr. Fitz A. Francis, lecturer in Economics at the University of the West Indies. Centred on planning strategy and practice, this study provides a detailed analysis of the instruments necessary for monitoring and implementing a unified development.

Donald V. McGranahan
Director

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INTRODUCTION

Sitting snugly on the continental shelf of the South American mainland to the North East of Venezuela are the two islands constituting the independent state of Trinidad and Tobago. The islands lie entirely within the tropical climatic zone being barely more than 10° North Latitude; and though there are some mountainous areas in both islands, these are neither high enough nor extensive enough to materially affect the essentially tropical nature of the climate.

A former British colony similar in status to the others located in the Caribbean Region, Trinidad and Tobago gained Independence on 31st August, 1962, after the failure of an abortive attempt at a Federation of some ten former colonies which came to a not unexpected end in 1962 after four years of uncertain existence.

As was the case with most colonies maintained by the metropolitan states for production of food and raw materials, the economy of Trinidad and Tobago suffered from all the vicissitudes of monoculture and excessive dependence on the production of primary products for export, particularly those such as sugar cane, cocoa, coffee and citrus which are widely produced in tropical and subtropical areas and which have been subject to wide fluctuations in prices on the world market following successive periods of glut and deficiency in supply, or as demand itself was affected by the availability of substitutes (as in the case of sugar cane). In the early years of this century, however, the oil industry began to show possibilities of development and, though it has through the years made a tremendous contribution to the fiscal strength of the state and to the value of exports of which it constitutes over 80% at present, it yet remains relatively small in terms of total employment and impact on the rest of the economy.

CHAPTER I

THE ORIGIN AND PROGRESS OF THE IDEA OF DEVELOPMENT PLANNING IN TRINIDAD AND TOBAGO.

1. Labour Crises of the 1930's and the Moyne Commission

On June 19, 1937, while Trinidad and Tobago still reeled under the prolonged effects of the Great Depression, an event of tremendous significance in the national life of Trinidad and Tobago took place at the town of Fyzabad in the county of St. Patrick in the oil belt of South Trinidad. Workers in oil and sugar were called out on strike under the leadership of a dynamic and flambouyant labour leader, Mr. Tubal Uriah Buzz Butler, in support of demands for higher wages and improved working conditions by his British Empire Citizens Home Rule Party. In the disturbances which ensued it is reported that some 14 persons were killed, at least 2 being members of the Police Force, and some 49 persons injured. Though there was only limited response to the representations made by the workers, the event is considered by many people to represent the coming-of-age of the trade-union movement in Trinidad and Tobago.

The significance of this event to the Labour Movement is not, however, the reason for its citation here. What is of far greater importance to a study of the historical origins of development planning in Trinidad and Tobago, and in the former Caribbean Colonies of the United Kingdom as a whole is the fact that between the years 1935 to 1938 there were *replications* of this dismal event in several of the then colonies including Jamaica, St. Vincent, Barbados and St. Kitts. These labour crises were on such a scale as to warrant the appointment by His Majesty King George *VI* on 5th August, 1938, of a Royal Commission under the Chairmanship of Walter Edward, Baron Moyne with Terms of Reference:

> "To investigate social and economic conditions in Barbados, British Guiana, British Honduras, Jamaica, the Leeward Islands, Trinidad and Tobago and the Windward Islands, and matters connected therewith, and to make recommendations".[1]

There had always been evidence of discontent in the West Indian Colonies leading to civil disorders and considerable loss of life. The Commission in its Report felt, however, that:

> "the discontent that underlies the disturbances of recent years is a phenomenon of a different character, representing no longer a mere blind protest against a worsening of conditions, but a positive demand for the creation of new conditions that will render possible a better and less restricted life. It is the co-existence of this new demand for better conditions with the unfavourable economic trend that is the crux of the West Indian problem of the present day".[2]

2. The Development and Welfare Organization and the First Colonial Development Plans

In the opinion of His Majesty's Government, circumstances of war did not permit the publication of the full text of the Report of the

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[1] West Indian Royal Commission Report, HMSO, London Cmd. 6607, 1945: page xi, The Royal Warrant dated 5th August, 1938.

[2] *Ibid.*, Chapter 1, page 8, para. 17.

Royal Commission which was presented to the Government on 21st December 1939, but did not appear until July 1945. Instead a statement of the Recommendations only was published in February 1940, "to serve as a guide to those interested in the affairs of the West Indies".[3] The Report itself was far-reaching and comprehensive, and revealed a depth of insight into the problems of the West Indian Colonies which had hitherto been extremely rare among Royal emissaries. The Recommendations contained proposals for a comprehensive albeit modest long-term development plan for the West Indian Colonies, at the core of which were certain recommendations which His Majesty's Government "decided to accept forthwith" and which dealt with "the provision of an annual sum for social welfare and development, and the establishment of a special organization, independent of the West Indian Colonial Governments, to administer these funds".[4] This Organization which became as it were the regional planning and advisory secretariat, was called the Development and Welfare Organization and was headed by a Comptroller for Development and Welfare who was appointed in September 1940 under the Colonial Development and Welfare Act of July 1940. He was located in Barbados to service all the West Indian Colonies from British Honduras (now Belize) and Jamaica in the north to Trinidad and Tobago and British Guiana (now Guyana) in the south. I shall deal with this first development plan for Trinidad and Tobago and the West Indies by the Colonial Office (which was the Executive Agency of the United Kingdom Government responsible for its execution) in greater detail in a subsequent chapter.

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[3] West India Royal Commission Report 1938-39: Recommendations: HMSO, Cmd. 6174, February 1940: Letter dated 13th February, 1940 from the Secretary of State for the Colonies to the Chairman of the West India Royal Commission.

[4] Ibid.

Meanwhile, as if not to be outdone by the Comptroller for Development and Welfare, and as if to avoid appearing to be impervious to the expressions of humanitarian sensibilities which were displayed by the members of the Royal Commission during its deliberations, the Government of the Colony assiduously began in consultation with the Comptroller and his advisers the preparation of a programme of positive action aimed at long-term development. This programme was outlined in a memorandum to the Secretary of State for the Colonies in autumn of 1943.

Revenues derived from oil had always made possible the realization of not inconsiderable surpluses on the current account budget, and as the demands of the war effort had imposed rigid limits on the quantum of resources which could be made available to the Colonial Development and Welfare Fund for the execution of its own plan, the Government of the Colony proposed for the approval of the Secretary of State for the Colonies a Ten Year Development Scheme to be financed almost entirely from domestic resources in the first instance, and later supplemented by financial support from the Mother Country when the exigencies of the War permitted or at the end of hostilities.

Actually, experience gained from the operation of the Fund during the first four years, 1940-1944, demonstrated the practical necessity of preparing comprehensive development plans as a basis for selection of projects for financial support under the Development and Welfare Scheme. During the period 1940-1942 the first Comptroller, Sir Frank Stockdale, with his advisers visited all the Colonies and assisted in drawing up plans and programmes of recommended action for use of the funds provided under the Colonial Development and Welfare Act of July 1940. Under this Act some £5m. was provided annually from the United Kingdom Treasury over a ten-year period ending 31st March 1951 for social and economic development in the entire Colonial Empire, with an additional £500,000 annually for research over the same period.[5]

The Development and Welfare Organization was essentially advisory in character, with responsibility for the improvement of economic and social conditions in each Colony being left, as before, largely in the hands of the domestic colonial governments. Neither was the Organization responsible for the direct disbursement of the funds allocated to it. The Comptroller with the assistance of his advisers and on the basis of development plans by the Colonial Government , made recommendations to the Secretary of State for the Colonies who was ultimately responsible for approval of applications for assistance with the concurrence of the United Kingdom Treasury. These procedures adopted caused considerable difficulties.

In the first place it was strongly felt by the Colonial Office at the time that it was not only practically impossible but politically infeasible for the details of the country's plans to be drawn up in the United Kingdom. The Colonial governments which were themselves responsible for execution of the projects were urged to ensure the co-operation of the population by involving popular representatives in the process of of plan preparation through the appointment of Development Committees. The Colonial Secretary in 1945 defended this policy "because you have to allow the maximum opportunity for the people of the territories themselves to be associated with this planning, since it is their future that is being planned. It is their life that is affected and therefore it is they who must have the greater say".[6]

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[5] Development and Welfare in the West Indies 1945-1946: Report by Sir John MacPherson, KCMG, Comptroller for Development and Welfare in the West Indies: HMSO, London, 1947: Colonial No. 212: pp. 1-4.

The separation of the location of authority for financial provisioning from the centre for plan preparation and execution posed a dilemma which required early action for its solution. The 1940 Act, it will be recalled, provided £5m. per year, and unspent balances from this annual allocation could not be cumulated and used in later years. Yet, not only were the colonial governments in a quandary as to how comprehensive could be their comprehensive plans without knowing what total amount each colony could confidently anticipate under the Programme over the 10-year period, but they were also uncertain as to what projects would receive approval and financial support in any one year, given the existence of an annual limit on the total commitments by the Fund. On the other hand, it was impossible for the Secretary of State to assess properly how much each colony would require or how to deal with individual applications unless comprehensive plans were prepared and one could assess relative priorities. Further, the smaller and poorer colonies did not usually have even the minimum of trained personnel and had to be protected from the zeal and initiative of those which were better supplied with the skills needed for preparation of detailed project proposals. The

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[6] Ibid., p. 2.

Comptroller alone had an overview of the situation and so his advisory role was crucial to the Colonial Office in the administration of this Programme in "trying to ensure that grants were distributed fairly both as to service and colonies".[7]

It was partly in order to obviate some of these problems of allocation of resources that in 1945 a new Colonial Development and Welfare Act was passed by the United Kingdom Parliament approving increases in the sums to be provided for development of the Empire at large and also greater flexibility in the administration of these funds. The new Act provided a total of £120m. for a new ten-year period beginning 1946 and ending 31st March 1956 and could be drawn upon at anytime during the period subject to an annual maximum of £17.5m. for development and £1.0m. for research. Each colony was also informed by a circular despatch of November 1945 from the Secretary of State for the Colonies of the amount it could confidently anticipate over the period and this particular innovation made possible the introduction of a new phase in the development of comprehensive planning by the colonial governments.

The Trinidad and Tobago allocation, out of a total of £15.5m. for all the West Indian Colonies under this new Act of 1945, was £1.2m. which included a provision for any subsidies to be given to British West Indian Airways, but was in addition to commitments already accepted under the 1940 Act for the period up to March 1946. The relative strength of the financial position of Trinidad and Tobago is clearly reflected in the disparities in the regional allocations. Whereas the £1.2m. for Trinidad and Tobago with a population estimated in 1946 to be 558,000 amounted to approximately £2.15 per capita for the entire 10-year period, the allocations of £6.5m. to Jamaica with a population of 1,296,000 was £5.01 per capita, and of £2.5m. for British Guiana with its 376,000 population approximated £6.65 per capita. The colonies were also requested to draw up development plans in order "to ensure that all resources available are used to the best advantage, that the whole field of possible development and welfare is surveyed, and that the sums to be devoted to each project are determined, so that the programmes form a well-balanced whole".[8]

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[7] _Ibid._, p. 3.

3. The Trinidad and Tobago Development Scheme 1946-1955

Perhaps in response to this request and/or because the progress of events dictated accordingly, the original long-term development programme for Trinidad and Tobago submitted to the Colonial Office in 1943 was further modified and became the subject of Despatch No. 152 from the Governor of the Colony, Sir Bede E.H. Clifford, to the Secretary of State on 30th May, 1946. Enclosure No. 1 to this Despatch contained the Sketch Plan of the Development Scheme 1946-1955, prepared by Mr. B.J. O'Brien, the Acting Financial Secretary. Further enclosures to the Despatch set out details of the Financial programming as well as of the Colony's Educational Policy which was contained in Council Paper No. 27 of 1946.[9] The plan, in spite of its term of ten years indicated above, was apparently intended originally to be open-ended or a rolling plan with a continuously moving horizon of about ten years and a detailed plan period of five years. Some indication of this is given in the Financial Note attached as enclosure No. 2 of Despatch No. 152 mentioned above where the Acting Financial Secretary pointed out that the Development Scheme called for expenditure of $73.3m. (1£ = $4.80) of which $7.8m. had already been spent up to the end of 1945 from Surplus Balances of the Colony. The next 10 years therefore required resources totalling $65.5m. to be found from loans, grants, revenue or accrued resources, and was divided into two five-year terms: the first from 1946 to 1950 involving fairly definite plans and projects some of which had already been begun in the earlier quinquennium and with projected expenditure of $42.7m. including about $6.6m. of anticipated revenue Surpluses; the second stage from 1951 to 1955 involving largely some indication of a desirable direction of project development with all that is implied in terms of uncertainty, and with projected spending as far as it could be estimated for projects contemplated of $22.8m. inclusive of some $6.2m. of revenue surpluses. This final quinquennium of the original 15 year programme was in its own day termed the Five Year Economic Programme 1951-1955.

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[8] Ibid., p. 4.

[9] Despatch No. 152 and its enclosures are contained in the document entitled Ten-Year Development Scheme for Trinidad and Tobago, Government Printer, Trinidad, 1946.

As at October 1955 this Programme was estimated to cost $48.2m. including $5.0m. of expenditure incurred on behalf of projects brought forward from the former development programme for which separate funds were available.[10] The Financial Secretary of the Colony, presenting at that time an interim programme of capital expenditure to cost $16.6m. for the year 1956 financed to the extent of $9.1m. from surplus balances, not only noted that several of the projects provided for in the programme could not be completed by December 1955 and that provision had therefore to be made for their continuation and completion, but advised further that "it was not contemplated that these objectives" - those outlined for the plan - "would be fully achieved within a period of five years".[11] A new Five-Year Economic Programme, 1956-1960 was presented to the Legislature and approved on 25th May, 1956 with projects estimated to cost $90.5m. of which some $20.0m. was anticipated to come from Surplus Balances.

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[10] Government of Trinidad and Tobago, Memorandum on Major Capital Works of Government as Planned in the Five Year Economic Programme, as approved by the Legislative Council on 8th December, 1955: Government Printing Office, Trinidad, B.W.I., 1955: Part 1, Introduction, p. 8.

That Programme, however, did not run its course, having been overtaken by political developments of which constitutional changes were significantly though not exclusively responsible. The memorandum for 1957 outlining the proposed expenditure for that year contained a terse paragraph which heralded the impending revision of the entire programme which had been proposed by the new responsible Government of the People's National Movement which had won the Election held on September 24, 1956 under a new Constitution and was in the process of preparation of a new development plan for the Colony:

> "Pending the comprehensive revision and revamping of the entire Programme, which Government proposes to undertake, it has been necessary to suppress or reduce temporarily the provision for certain works originally approved for execution during the life of the Programme, in order to permit the introduction of the above-mentioned projects".[12]

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[11] Ibid, pp. 7-9.

[12] Government of Trinidad and Tobago, Five-Year Economic Programme 1956-1960: Memorandum for 1957, as approved by the Legislative Council on Friday, 21st December, 1956: Government Printing Office, Trinidad, B.W.I., 1956.

4. Development Plans under Responsible and Independent Government

Being the first party Government elected with full responsibility for managing the affairs of the Colony the Government of the People's National Movement, after some 15 months in office and following consultations with Professor Arthur Lewis then of Manchester University and Mr. Teodoro Moscoso then of the Economic Development Administration of Puerto Rico, presented a new plan embodying its own conception of the requirements for the economic development of Trinidad and Tobago.[13] This Five Year Development Programme, 1958-1962, enthusiastically dubbed The People's Charter for Economic and Social Development and generally referred to as the First Five Year Plan, envisaged expenditure in excess of $191.4m. over the five-year period with $44.0m. planned for expenditure in 1958 alone.[14] The considerable increase in public sector resource mobilization effort is worthy of note, the actual expenditure for 1958 - 1962 being $218.5m.

The Second Five Year Plan, 1964-1968, which emerged following further Constitutional and Political developments of momentous importance to the young nation, notably the disbandment of the West Indian Federation and the attainment of National Independence on 31st August 1962, was in many ways a more ambitious effort at development planning than its precursor. This plan as originally proposed entailed projected expenditure of $302.6m. which again represented a spectacular increase in planned mobilization over and above the previous plan.[15] But even this aggregate had to be revised upward to accommodate the increased developmental activity made necessary for the reconstruction of the Tobago economy following the devastating hurricane of September 1963, two months after the publication of the Draft Plan. The aggregate resources eventually proposed for expenditure on the plan was in excess of $320m. of which $38.1m. was for the Island of Tobago.[16] This excluded the sum of $68.4m. allocated under the 1963 Budget for an interim plan for that year.[17] For the first time in Trinidad and Tobago this Second Five Year Plan 1964-1968 also represented the product of a formal institutionalized machinery for plan preparation and assessment via the National Planning Commission with the Prime Minister as Chairman and designated the supreme planning authority of the country under the Cabinet; the Economic Planning Division of the Office of the Prime Minister with its Head as Secretary/Member of the Commission serving as the Secretariat; and the National Economic Advisory Council to which the Draft Plan had to be submitted for review and assessment.[18]

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[13] Government of Trinidad and Tobago, Five Year Development Programme 1958-1962, Government Printing Office, Trinidad, B.W.I. 1958: See Introduction by the Hon. Dr. Eric Williams, Chief Minister of the Government of Trinidad and Tobago.

[14] Ibid., Introduction, p. 4.

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[15] Government of Trinidad and Tobago, National Planning Commission, Draft Second Five-Year Plan 1964-1968, Government Printery, Trinidad and Tobago, 1963: Ch. 1, pp. 55-56.

[16] Trinidad and Tobago, Second Five-Year Plan 1964-1968: Modifications to Draft Plan - as approved by Parliament in November 1963: Government Printery, Trinidad and Tobago, 1965: Appendix, p. 1. See also Report of the Tobago Planning Team, 1963.

[17] Draft Second Five-Year Plan, pp.

[18] Vide Supra Note 15, Op.cit., Ch. II, pp. 10-23.

Finally in December 1969 appeared the Third Five-Year Plan 1969-1973 calling for a capital expenditure of $380.0m., which in itself represented a far less ambitious resource mobilization effort that the previous two plans if both the level of National Wealth and Income and the effect of price inflation over the years are taken into account. But perhaps of far greater significance for a study of the problems of planning for development in emergent economies, it was produced under the auspices of a far less elaborate institutional framework than the Second Plan, having been formulated by a Planning Committee of Ministers and senior Civil Servants under the chairmanship of the Prime Minister.[19]

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[19] Government of Trinidad and Tobago, Third Five-Year Plan 1969-1973, Government Printery, Trinidad and Tobago, 1970: Foreword by the Prime Minister.

CHAPTER II

THE SOCIO-POLITICAL CONTEXT OF PLANNING IN TRINIDAD AND TOBAGO.

1. Major Ideological and Planning Constraints

To my mind, two factors above all others have acted as constraints on the development of a social philosophy and thereby on the evolution of the ideological foundations of the planning process in Trinidad and Tobago over the years. These are, first, the nature of the constitutional status of the territory, which has been subject to considerable change during the period over which development planning has taken place; and secondly, the ethnic heterogeneity of the population, which has always exercised an important influence on the degree of political awareness of the masses, the content of the political philosophy of parties and political aspirants, the techniques and strategy of electioneering and political representation, as well as the character and manner of implementation of governmental decisions on a large variety of issues. Of course these two factors are themselves closely interrelated. But before presenting the rationale for such a hypothesis, let me describe in further detail both the ethnic composition of the population in its historical nexus, and review briefly the major constitutional developments involved in the evolution of Trinidad and Tobago from Crown Colony status to National Independence over the past 35 years since 1937.

2. The Historical Nexus of Ethnic Heterogeneity

Similar to all the other Caribbean slave countries, Trinidad and Tobago contained a population consisting of a predominant black majority of African origin and a white European minority representing the owners and managers of the sugar-cane, cocoa, coconut and other plantations, the merchants and the officers of the Crown who administered the Colony. The white population of the Colony had two other important elements, however, who chronologically preceded the Anglo-Saxon rulers who took over after cession of the Colony by Spain in 1797-1803. There was first, of course, the population of Spanish creole descendants who officially ruled the territory, along with a very strong contingent of fellow Catholic French colonists who as loyalists had fled the other French-Caribbean colonies and settled on large areas of the country to form an influential French Creole upper-class of landed gentry.[1]

The fact that the Anglo-Saxons came as a conquering group rather than as fellow-settlers was obviously a cause of great concern to the French and Spanish speaking elite who saw in this new influx a threat to their social status. There was thus continuing resentment between the white creoles and the colonising Anglo-Saxons which led to a form of Government by Order-in-Council which, though retaining for a long time certain Spanish institutions such as the Cabildo, yet reposed so much power in the hands of the British Governor as to create in his position a virtual dictatorship with a minimum of consultation outside official circles for more than a century after.[2] This problem is the subject of the next section.

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[1] Lloyd Braithwaite, "Social Stratification in Trinidad: A Preliminary Analysis" in Social and Economic Studies, Vol. 2, No. 2, 1953: pp. 6-7.

[2] Ibid, pp. 8-9. See also Morley Ayearst, The British West Indies: The Search for Self Government, George Allen & Unwin Ltd., London. 1960: Ch. IV, pp. 79; See also Op. cit. Note 3, Ch. VII, pp. 74-78.

By 1807 the Slave Trade was abolished by Britain and the process of political preparation of the colonies for eventual Emancipation of the slaves in 1834 was begun. This event in a Colony such as Trinidad and Tobago which had hereto-fore been only sparsely supplied with labour, being more thinly settled than any of the other islands, provided further fuel to the flame of resentment which raged among the creole white elite against their British rulers. There followed a labour crisis as the former slaves withdrew their labour from the plantations and settled on abandoned estates and unalienated land elsewhere in the island. Many plantations became bankrupt and to avoid total ruin of this and other colonies, East Indian labour was introduced under a system of 5-year indenture with the Treasury bearing part of the cost by which means alone some sugar estates were able to survive. Between 1838 and 1917 when sponsored Indian immigration ceased to be used as a means of augmenting the labour supply, it is claimed that some 145,000 Indians had been brought to Trinidad.[3]

The efforts to find a new labour force for the plantations in Trinidad and Tobago had also brought a variety of other ethnic groups into the population. Many Europeans particularly from Portugal, France and Germany had been brought as bound labourers and also as settlers in the years of the 1830's decade immediately following Emancipation but they proved less capable of withstanding the rigours of the climate than the Africans and Indians, and so their numbers remained relatively limited.[4]

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[3] Eric Williams, History of the People of Trinidad and Tobago, P.N.M. Publishing Co. Ltd., Port-of-Spain, 1962: Ch. VIII, pp. 87-102.

[4] Ibid., pp. 97-98.

Chinese labour had been tried on an experimental basis even before Emancipation, but without success, with many of the immigrants returning soon after their first exposure to local conditions. Such immigration has, however, continued on a small scale over the years right up to the present, in some cases even on an illegal basis. Chinese women did not as a rule accompany the male immigrant labourers, and subsequent interbreeding between these and African and coloured (racially mixed) women produced a not insignificant and distinctive group of coloured inhabitants in the population.[5]

Arabs of Syria and Lebanon as well as some Jews have also established a noticeable presence in the population of Trinidad and Tobago though their numbers may easily be overexaggerated. They are for the most part recent migrants who came as traders, as in the case of the Arabs, or to escape persecution in Europe, as in the case of the Jews.[6] The fact that they have become an important influence in the business community - in commerce as well as manufacturing - has secured for them political power and social status out of proportion to their numbers, and occasionally exposed them to strong popular resentment in recent times.

Though in general racial lines of demarcation have been jealously guarded, there has been, over the years, even in the period before Emancipation, a very substantial group of coloured people in the population, resulting from interracial associations both marital and illicit, as well as from inbreeding within the group itself. Though varied in its shades of colour, and internally heterogeneous in structure, in that these shades constitute recognizable barriers to free social mobility within the group, it nevertheless, because of its size and relative position of ascendancy in the economic hierarchy, forms an important element in the social structure of the society.[7]

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[5] Ibid., p. 77. See, also, Braithwaite, op. cit., p. 10.

[6] Braithwaite, op. cit., p. 10.

3. Ethnicity, Wealth, Social Status and Political Power in Trinidad and Tobago Society

Historically, colour and race have been the determinants of social status and prestige in Trinidad and Tobago society. It is hardly necessary to examine in detail the reasons for this practice of ascription of superior social status to persons of lighter complexion, and of elite status to persons of Anglo-Saxon origin. The historical and analytical background to this phenomenon is already examined in considerable detail in the references cited in this Chapter. Moreover, the phenomenon is sufficiently common in plantation and other former colonized societies to make it susceptible to some kind of interpretation by most western readers. Suffice it to say that, even though in most western societies with a more homogeneous population the acquisition of economic power at least in time confers social status and political power upon the possessor, this same degree of social mobility is never available to non-whites in a Slave society. The fact that the slave or his descendant is ethnically distinguishable as a person formerly identified with a wretched and degrading form of human existence has tended to impede the transition from servitude to a position of accepted prestige by the descendants of his former masters. Though educational, economic and other requirements of social status may be satisfactorily met, the claim to entry into the upper echelons of the social strata by non-whites is met with latent or open hostility and resentment by the less-differentiated adherents of the upper classes.[8]

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[7] Ibid., passum. See, also, Jack Harewood, "Racial Discrimination in Employment in Trinidad and Tobago"; and Acton Camejo, "Racial Discrimination in Employment in the Private Sector in Trinidad and Tobago: *A Study of the Business Elite and the Social Structure*"; *both in* Social and Economic Studies, Vol. 20, No. 3, September, 1971.

As a result Trinidad and Tobago society consists at the top structurally of a predominantly white upper crust which, though in part of modest or inferior economic status, is traditionally conceded pride of social position, and political power and influence consistent with its historical hegemony over other groups in the society, and the tremendous economic power it wields in the society of the present day. On the periphery of this group is a heterogeneous mixture of Arabs, Chinese and Coloureds who, both because of their closer-to-white complexion, and because of their economic ascendancy gained through business, have been granted a begrudged admission to the group, as well as a few Africans and Indians who have won their spurs through political position, the professions, the Public Service or in rare cases business enterprise.

The substructure of the social triangle by implication comprehends the following: a strong middle class involving a heterogeneous mixture of coloureds, Asiatics from the Middle and Far East, as well as the bulk of the more progressive Indians and Africans, all competing for political power and economic and social ascendancy of the group, as well as to fill possible vacancies in the upper crust; a large politically activist and vociferous lower class consisting almost entirely of persons of Indian and African origin, the descendants of the former slaves and indentured labourers.

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[8] See Camejo, op. cit.; Braithwaite, op. cit.; Williams, op. cit.; above all see, Eric Williams' pamphlet entitled "Historical Background to Race Relations in the West Indies", published by the Teachers Economic and Cultural Association, Woodford Square, 1955.

But if one can recognize continuing lines of cleavage in the white super-structure between the conquering Anglo-Saxon on the one hand and the Gallic and Iberian descendants on the other, and between persons of colour and the more progressive descendants of the plantation labourers in the middle class, one must also admit of an absence of any recognition of a fundamental harmony of interests between the two dominant racial groups in the lower class. Thus whereas intragroup and intergroup conflict between the upper and middle classes acted as a serious constraint to political and constitutional development of the Colony for 150 years after conquest by Britain, intra-group rivalry in the lower class in the present era of adult franchise and mass politics, poses serious constraints to the development of a truly national political ideology, a philosophy of the "optimum social order" which is all-embracing and acceptable as a basis for defining a framework for the pursuit of the long-term objectives of the nation.[9]

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[9] Morley Ayearst, op. cit., Ch. IV, pp. 79-88; also Williams, History of the People of Trinidad and Tobago, Ch. VII, pp. 66-86; and Braithwaite, op. cit.

4. Ethnic Constraints on Constitutional and Ideological Development

(a) Constraints on Constitutional Development

The Constitutional status of the machinery of Government remained essentially unchanged for over one hundred and twenty-five years after the conquest of the Colony in 1797 down to the first introduction of the principle of elected representation on a restricted suffrage in 1925. It is not that no constitutional evolution took place over that period, but such as occurred did nothing to alter the basic principle of the method of Government which was that of the Crown Colony governed by Order-in-Council with the British Government in complete control, unlike in the case of the other self-governing colonies of the West Indies.[10] Various reasons have been advanced for the repeated denial of the franchise to the planters of this colony, one being that the British wanted to maintain it as a model Crown Colony to be used in experimenting with the introduction of humanitarian reforms preparatory and subsequent to Emancipation. Both Williams and Ayearst appear to lean somewhat to this view.[11] From the correspondence which passed between several of the colonial governors and the Secretary of State for the Colonies, however, it appeared that this denial was to a more important degree dictated by purely ethnic considerations, and both Ayearst and Williams also recognize this.

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[10] Eric Williams, History of the People of Trinidad and Tobago, Ch. VII, pp. 73-75; Braithwaite, op. cit., pp. 37-38; Ayearst, op. cit., Ch. IV, p. 79; See, also, Williams, Historical Background......, pp. 15, 17, 27.

[11] Williams, ibid., p. 73; Ayearst, op. cit., p. 79.

To enfranchise the free settlers of the colony would have meant conceding political power not to the white elite, but to the free coloured population who formed by far the majority of the free population and many of whom had considerable property acquired by personal exertions or bequeathed by white parents. Politically, even a restricted franchise was unthinkable. In addition, the French and Spanish (so called creole) white elite also in number exceeded the white population of British origin in this new British colony; and there was both doubt as to their loyalty to the Throne, as well as certainty about their opposition to the humanitarian policies of the new Metropole.[12] In response to repeated clamours for representation the Governor's Council of Advice was replaced in 1831 by a two-tier legislative procedure consisting of: a Council of Government containing six officials and six other members nominated by the Governor from among the proprietors of the colony, with the Governor having an original and a casting vote; plus an Executive Council consisting of the Governor and three official advisers. Though certain modifications to this arrangement took place over the following 95 years by way of enlargement of both the Legislative Council (which the Council of Government became in 1880) and the Executive Council by the introduction therein of nominated members, the first fundamental change in the principle of accession to the halls of Government came only in 1925. But even then the idea of a fully elected Legislative Chamber was rejected, and the main reasons voiced were: (a) the fear of the white minority of domination by coloureds and negroes; and (b) the fear of the East Indian population of suppression by negroes with whom they competed. There was a high property and income qualification together with proficiency in English for enfranchisement and even higher qualifications for eligibility to membership in the Council including literacy in English.[13] The new Constitution provided for a Council of 26 members including the Governor, 12 officials, 6 unofficial nominated members and 7 elected representatives. The Governor was free to include in his Executive Council one or more of the nominated (note, not elected) members of the lower chamber.

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[12] Williams, ibid., Ch. VII, passim, note especially p. 69; Ayearst, op. cit., p. 79.

No significant change in the Constitution occurred during the next two decades, though of course much agitation and clamour for self-government continued, particularly through Arthur Andrew Cipriani (a French Creole) and his Trinidad Workingmen's Association and later the Trinidad Labour Party, and Tubal Uriah Buzz Butler (a Negro) and his British Empire Workers and Citizens' Home Rule Party. The latter, as noted in Chapter I was the 'bete noire' of the 1937 riot which was the focus of attention of the Moyne Commission. It is noteworthy that although the planters were vociferous in their demands for elected representation and self-government during the 19th Century, they were noticeably reticent during this period when the same demands were being made of the Colonial Power by the working classes. It is also significant that both Major Wood in 1921 and the Moyne Commission of 1938-39 in their turn, on the matter of constitutional reform, though recognizing clearly the need for elective representation and greater popular participation in the process of government, recommended very strongly in favour of retention of increased use of a strong nominated element in the Legislature "to ensure that all important sections and interests of the community receive adequate representation", which apparently could not be assured as a result of the electoral process.[14] Further, Moyne noted regrettably that "colour prejudice, although universally deprecated, is generally on the increase" and that it was "a serious obstacle to the harmonious political development which is necessary as a preliminary to the eventual grant of wider powers to the elected representatives of the peoples of the West Indies".[15]

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[13] Ayearst, p. 80-81; Williams, History......, Ch. XV, pp. 216-

Thus in 1941 when the Constitution was again altered by Order-in-Council, though the number of elected representatives of the Legislative Council was increased from 7 to 9 and the Governor retained a casting vote only in that Chamber, the virtual assurance of support for the Government by the 6 nominated members guaranteed that the Governor and his three officials would always win a majority. For the same reason the introduction of five members of the Legislative Council (three nominated and two elected) into the Executive Council gave no cause for concern since in general the Governor anticipated the support of the nominated members, and even without this his double vote would at least effect a tie. The interests of the white minority was thus assured of continued protection against the incursions of radical blacks and the now increasingly eloquent

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[14] Williams, ibid., especially pp. 218-221; also West India Royal Commission Report, Ch. XXV, pp. 449-450.

[15] West India Royal Commission Report, Ch. XXV, p. 451.

Indians who had in part at least associated themselves with the Africans in political parties and trade unions.

Though the 1946 election was conducted on the basis of universal adult franchise for the first time having been introduced by Order-in-Council of August 1945 following over 3 years of study and deliberations by a Franchise Committee of the Legislature appears to have been maintained exactly the same as for the 1941 election. From the official side the feelings expressed appeared to indicate that there was need for a period of cautious experimentation during which the behaviour of the elected representatives of the newly enfranchised masses could be closely observed before any significant handing-over of power to an elected majority.[16]

The 1950 election reportadly witnessed further advances in the constitutional status of the colony authorised by Letters Patent and Order-in Council in March of that year. The arithmetic of this constitutional progress is interesting. The Legislative Council now had 18 elected members, five of whom were destined to be chosen by secret ballot to enter Executive Council as Ministers whose portfolios were to be allocated by the Governor, the Finance portfolio, however, remaining in the care of an official. The membership of the Legislative Council was completed with 3-ex-officio members and 5 nominated members, and presided over by a nominated Speaker without a vote, instead of the Governor. Interestingly enough, even though the Butler Party after the election had 8 adherents in the Legislative Council, the results of the secret ballot revealed that of the 5 chosen, 3 were independents and the other 2 affiliated with what might be called 'respectable' parties - none of the Butlerites was chosen.[17] Further, since these 5 were now given portfolios as Ministers, they not only had acquired a vested interest in maintaining that position against the competition from other possible appointees, but must certainly defend the official policies for which they were ostensibly responsible against attacks from other elected members of the Council. They had to be Government men. When these 5 were separated from the 18 elected members, the Legislative Council was evenly split with 13 members on each side, making a farce of the elected majority.

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[16] Ibid., p. 451; Ayearst, op. cit., p. 84.

At the Executive Council level, the fear of an elected majority still prevailed. The casting vote of the Governor along with the votes of his 3 officials and the nominated member appointed by him was just sufficient to precisely maintain the balance against the 5 elected Ministers. But not only was the elected majority of this Council unable to hold sway, but having been chosen to that position by simple majorities in the Legislative Council, could only be removed from the Executive Council by a two-thirds majority vote in the Legislative Council. With a chamber of 26 members this meant that 18 votes were required to remove a Minister, that is, that at least 3 members from the Government side had to support the removal. The Legislative Council in effect could never or would never effect a 'Cabinet reshuffle'.

The situation was untenable and agitation for further reforms continued, leading to the appointment of a Constitutional Reform Committee in 1955 and further accommodation to popular demands for the 1956 elections. The Constitutional Instruments of June 1956 provided for an Executive Council of 10 members with the Governor as Chairman, 2 officials - the Financial Secretary being replaced by an elected Finance Minister, and 7 elected members introduced from the Legislative Council, among whom was also a Chief Minister chosen by the elected members of the legislature.

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[17] Ayearst, op. cit., pp. 84-85.

In the Legislative Council, the elected representation was increased to 24, while the ex-officio members were reduced to 2 with the exclusion and abolition of the post of Financial Secretary, and the nominated membership retained at 5, a total complement of 31 members. All major areas of domestic policy were now to be handled by elected members of the Legislative Council including the important portfolio of Finance, the last to be relinquished. Instead of being nominated by the Governor as in 1950, the Speaker to preside over the Legislative Council was now to be chosen by the elected members from within or outside of the Legislative Council. The elected members also had the power to elect a Chief Minister who was not only leader of Government business in this Council but also took over that role from the Colonial Secretary in the Executive Council as well.

The 7 elected members who were to become Ministers were still to be chosen by the total elected membership of the Legislative Council, and could be removed only by a two-thirds majority vote of that body, though the Chief Minister had the power to advise the Governor on the allocation of portfolios as well as on the withdrawal or alteration of such portfolios. This meant that, in practice, unless a party had secured a clear majority the seats in the Legislative Council - which would be difficult in Trinidad and Tobago for a party based entirely on race - and was disciplined enough to prevent voting along other than party lines, it would be impossible to secure an Executive Council with elected representation limited solely to its own membership. Moreover, having got an elected member into the Executive Council it remained impossible to remove him therefrom without the support of more members of the Legislative Council than was likely to be attached to any party without a broadly-based support.

This was the structure of Governmental machinery which was inherited by Eric Williams and his People's National Movement Party in the elections of September 1956 which, for the first time in Trinidad and Tobago, ushered in the era of party government. Williams himself had agitated strongly prior to and during the elections for constitutional reforms, and it is certain that the reforms acceded to by the Colonial Office in its Constitutional Instruments of June 1956 had hopefully anticipated his success at the later elections. The emergence of the People's National Movement as a party with broadly-based strong popular support, disciplined in its approach and led by an eminent middle-class university-trained scholar, campaigning on the basis of inter-racial solidarity and the need for awakening of the national self-consciousness rather than the championing of sectional or group interests signified the attainment of that political maturity on the basis of which it was felt by the British Government that power could be transferred to an elected majority. There was sufficient guarantee and this was in essence given during several of Williams' lectures at Woodford Square (dubbed the University) in Port-of-Spain, as well as during his election campaign, that the interests of all groups and races would be guarded through the promise of a sober approach towards the attainment of equal "moral status" for all races through efforts to improve the economic status of the lower classes. Gaining only 13 of the 24 seats, Williams was allowed to consolidate his majority through nominations. In short, even the limited degree of constitutional maturity conceded could only be achieved with the promise of a regime devoid of ethnic disharmony.[18] In this new atmosphere, the pace of constitutional progress accelerated rapidly leading towards full internal self-government for the elections of 1961 and, Independence in August 1962.

(b) Effects on Ideological Evolution and Links with Constitutional Problems

But if ethnic considerations were important enough to have exercised a restraining influence on constitutional development and the willingness of the Colonial Office to delegate power to the indigenous element in the governmental machinery, it must inevitably have also had a significant influence on the process of policy formulation, as well as the content and strategy of social and economic policy. The inherent incompatibility between the interests of the Creole Planters' desire to continue slavery in its most degrading forms, and the more humanitarian approach of the new colonists responding to pressure from the 19th Century Reformers, has already been noted earlier in this Chapter.[19] It was also noted in Chapter I that some concern was expressed by the Colonial Office over the possibility of lack of popular support for the developmental efforts undertaken under the Colonial Development and Welfare Organization, unless there was serious involvement of popular representatives in the planning process through ad hoc Committees.[20] Thus in the absence of truly responsible government and with the voting pattern that must have emerged from the membership structure of the Legislative and Executive Councils, the philosophical underpinnings of the policy of planning for economic development and improved welfare could only reflect the official view of the Metropolitan Government, and to a very limited degree that of the indigenous population.

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[18] Ayearst, pp. 87-88.

[19] Vide Supra, Ch. 2, Section 2.

This conception of the problem of policy formulation - that the national interests could not be adequately represented in policies or plans drawn up under the advice and direction of the Metropolitan Government- must have been uppermost in the mind of Williams upon assuming office in 1956. First, after only 3 months in office the new Government set itself the task of revising the proposed programme of capital spending for the year 1957, which constituted the second year of the third 5-year phase of the long term development programme then in process of execution. This was "pending the comprehensive revision and revamping of the entire programme" being undertaken after consultations with Arthur Lewis and Teodoro Moscoso who were extolled as the greatest exponents of the art of economic development in the world at the time. The result of the "revamping" was the People's Charter for Economic and Social Development which was published by the Government after 15 months in office.[21] The dependence on expertise of Caribbean origin was significantly indicative of the new philosophical bias. The second indication of Williams' conception of the need for a new orientation at policy levels was his vigorous but nevertheless covert efforts to replace or disregard the advice of the installed British expertise in the Public Service, displaying instead a preference for the few trained nationals and West Indians who could be found, though these had had little or no prior exposure to the intricacies of policy formulation. The onerous responsibilities for preparation of the First and Second Plans placed on recent graduates such as J.O'Neil Lewis, Jack Harewood, Victor Bruce, William Demas, Patricia Robinson (then Rawlins), Gregor Awang, Max Ifill, Solomon Lutchman, Dodderidge Alleyne, Frank Barsotti, Eldon Warner and Frank Dowdy instead of British advisers such as Jack teer represented both a contribution to the development of a cadre of indigenous experts, as well as a vigorous attempt to effect the needed shift in orientation.

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[20] Vide Supra, Ch. I, Section 2.

[21] Vide Supra, Ch. I, Sections 3 and 4.

But the objection to white British advisers had to be made solely on nationalist not on racist grounds. Because of the relatively small size of the white population and the lack of mobility of other ethnic groups into the elitist category, the group had always been concerned, justly or otherwise, about its possible disenfranchisement by radical elements from the subordinate groups. To the extent that the decision lay in the hands of the Colonial Office, the transfer of power would depend on the willingness to protect these entrenched interests. To a large extent the People's National Movement represented in 1956 and still represents even at present the great compromise of contending forces - on the one hand pressing to make of the Party an organization truly national in scope, a haven for all the many ethnic elements in the society, on the other hand pressing to make the Party the instrument for securing for the African an improvement of his economic position and social status in the society.

Williams himself had always displayed a deep sensitivity to and awareness of the need for the former if power was to be wrested from the British, and his espousal of the nationalist stance rather than of group interests must have been strongly motivated by this factor, as well as by the stark reality of the impossibility of gaining a majority at the polls without a programme which would appeal to adherents from all ethnic groups and creeds. As an eminent historian and ardent researcher on the social, political and constitutional problems of the country he possessed a full awareness of the thinking of the British Government as to what conditions they required for the transfer of power from the Colonial Office to the Legislature in Port-of-Spain. His Party Manifesto and political philosophy could well therefore have evolved at least in part from a careful study of the issues relating to ethnicity as raised in Reports such as those of Wood in 1921 and Moyne in 1939. The brand of radicalism espoused had to be totally consistent with the requirements for inter-racial solidarity. Though much of his historical writings had displayed a preoccupation with slavery, race and the centuries of discrimination against and subjugation of non-white peoples by colonizing Anglo-Saxons, the major issues presented in the election campaign of 1956, were based on the strategy for development and constitutional reform, avoiding such issues as birth-control (perhaps to secure Catholic support) and denominational education or even an academic reference to the white planter class, instead preferring to

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(ii) The elimination of structural unemployment and the achievement of full employment.

(iii) Making the economy more self-reliant and reducing economic and social dependence by shifting of the centre of decision-making in investment, production, employment, management and marketing from overseas-controlled to locally-controlled institutions.[13]

There are a few very interesting comments one may make about these so-called 'objectives'. The first is that they are, of course, means rather than ends or objectives in the sense that that term is usually used in the terminology of development planning, and from that point of view must be regarded as intermediate or medium-term rather than ultimate in perspective, as their attainment is expected to be conducive to the ultimate attainment of the "optimum social order", whatever that may be.[14] This "optimum social order" presumably is best defined in terms of some state or states of human existence in the society - the level of living and standard of welfare of the society as a whole, as well as the relative social and economic position of various subgroups within the society vis-a-vis one another. Even intermediate or medium-term objectives may be specified in terms of their humanistic aspects if only to facilitate evaluation of progress under the plan towards their attainment. One of the more pragmatic lessons taught by the experiences gained from the earlier plans was precisely this - that the measurement of the quantitative aspects of use the cliche: "Massa Day Done".[22]

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[13] Third Five-Year Plan, Ch. I, p. 5; Ch. IV, p. 31.

[14] Tinbergen, Development Planning.

Since Independence in 1962 the question of setting the tone for constitutional advancement has taken second place to the need to promote national solidarity, and thereby to avoid the internecine conflict such as has occurred in Guyana in 1962-64. That event has always been a grim reminder to the Trinidad and Tobago population of the dreadful possibilities which are inherent in the existing demographic structure.

5. Conception of the "Optimum Social Order" of the People's National Movement

In order, however, to have a clearer understanding of the objectives and strategy employed in the development plans executed under Williams' People's National Movement, we ought first to make a closer examination of the Party's political ideology, its economic philosophy, or in the words of Jan Tinbergen its conception of "an optimum social order".[23] It is this

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[22] See, for instance, People's National Movement, The People's Charter, a Statement of Fundamental Principles, adopted by the Inaugural Conference of the Movement on Sunday, January 15, 1956, published by the P.N.M. Publishing Company, Port-of-Spain in a 10th Anniversary Edition. See, also, Eric Williams, Massa Day Done, an address delivered on Wednesday, March 22, 1961, a commentary on the joining of the Democratic Labour Party by Sir Gerald Wight, in which for the first time in his political career the cumulated venom of his hatred of the traditional domination of the society by the planter class is poured out unflinchingly in a masterly piece of political demagoguery. He insisted, however, in commencing the address that "Massa" was not a racial term, but that "Massa Day Done connotes a political awakening and a social revolution".

[23] Jan Tinbergen, Development Planning, World University Library, Weidenfeld and Nicholson, London, 1967: Ch. 5, pp. 64-73.

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social progress may be extremely deceptive, and must necessarily be studied in conjunction with the qualitative aspects if a true evaluation of progress is to be obtained.

This brings us to the second comment that might be made about the objectives of the plan as stated. The three objectives emphasize mainly statistical states of being of the society, with no obvious implications expressed or understood about the quality of life in the society to which they are supposed to conduce. In fact it is even apparent that the authors of the Plan were conscious of a somewhat tenuous connection between the attainment of the stated objectives as means and the improvement of the quality of life in the society as an end. Referring to the question of economic dependence, the third objective, the view is expressed that "to the extent that over the long-run we succeed in" reducing the various types of economic and social dependence, "to that extent will the process of economic growth rest on firmer economic and political foundations".[15] Moreover, it is felt that "the three main tasks ... set for development planning can be very simply stated - economic diversification, elimination of structural unemployment, and greater economic independence" and that "to the extent that these tasks are successfully accomplished, the level of living of the masses of our people can be raised continuously, mainly by our own internal efforts".[16] In respect of the objective relating to unemployment, a specific target has been set aiming at its elimination in the next 15 years, that is by 1983.[17]

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[15] Third Five-Year Plan, Ch. I, p. 8.

[16] Third Five-Year Plan, Ch. I, pp. 8-9.

[17] Foreword by Prime Minister to Third Five-Year Plan, p. iii; Ch. III, p. 20.

conception of a best possible social order which must provide the underpinnings, the backdrop against which one must view the long-term objectives and rationale for the attempt by the public sector to order and direct the course of economic events, as well as the intermediate and short-term goals which would in part represent the means to the attainment of the ultimate secular objectives.

Williams himself had been critical of Butler and Cipriani for their inadequacies in mobilizing the mass support they received and turning it into an instrument for wresting political control out of the hands of the Colonial Power. Of Butler he asserts:

> "The real problem, however, was that Butler proved inadequate to the task either of forming a political party or of organizing the oilfield workers, and whilst his popularity was undoubted and was fully deserved, and whilst he never swerved in his demand for self-government for Trinidad and Tobago, he proved as inadequate as Cipriani had proved before him in the sense of mobilizing the mass movement that he had helped to develop and guiding it along the inevitable organizational channels for the capture of political power and for the use of that power when it had been captured. His Election Manifesto issued for the General Elections of 1946, which were the first to be held on the basis of universal suffrage, gives a clear picture both of the strength and of the weaknesses of the man, both of the strength of the mass movement and its problems of leadership".[24]

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[24] Eric Williams, History of.........., Ch. XV, p. 236.

> "Cipriani, Butler, Solomon - these three will go down in our history as the great trinity in our movement for self-government. Cipriani gave dignity to the barefooted man. Butler brought the inarticulate masses on a national scale on to the political stage. Solomon introduced the intellectual element and dignified the constitution reform movement by placing it squarely in its world democratic context. All three were defeated. Cipriani ended up justifying World War II and opposing Butler. Butler ended up in Sonorous platitudes, not all of them intelligible, in the Legislative Council, in which he lost his seat in the 1961 Elections".[25]

But if faced with extreme odds Butler, Cipriani and Solomon in their day were inadequate to the task they faced, much the same will be said of Williams in his own day. Whilst Butler's brand of charisma could secure him only mob appeal, Williams middle-class orientation and profound academic background enabled him to infuse into his method of approach that dignity and intellectualism which could win for him a broad spectrum of support both in terms of classes and races, but particularly strong in the urban middle-class which was fully appreciative of his discourses. Yet he was not without the demagogic astuteness of the Charismatic leader, an astuteness which he displayed with exceptional acuteness in political debate, a quality which assured him of tremendous attachment to and admiration of the masses. No less responsible for what measure of success he has so far achieved was perhaps the great emphasis he laid on the establishment of a disciplined active and effective party organization on a national scale, a deficiency which more than anything else must have been responsible for the failure of the earlier leaders.

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[25] Ibid., Ch. XVI, p. 243.

Much less to the credit of Williams, however, was his lack, a lack from which his party also suffered, of an economic and social philosophy, an ideological base which would have enabled him to define even conceptually an "optimum social order". The People's Charter - A Statement of Fundamental Principles, presented to the Nation in January 1956 and embodied in the action programme which was the First Five Year Development Programme 1958-62 and which was intended to be all things to all people, therefore contained, in spite of its nomenclature, no fundamental political, social or economic principles which could be regarded as transcending the issues of the day and providing a basis for continuous and sustained political and social action, which was absolutely necessary to urge the nation to "aspire and achieve".[26] It is not always useful or instructive to attempt to fit the unique features of every polity into some category of "ism" which is defined by reference to the peculiar institutional framework of some alien society, and which represents the evolution of a particular set of economic, social and political circumstances in that context.

But even if we do not wish to attach the label individualist, capitalist, protectionist, autarchist, or socialist to his brand of economic ideology, nor to tag his political philosophy as nationalist, monarchist, liberal, democratic, republican or communist, the fact remains that Williams' conception of the ideal society, if indeed he can be considered to have one, is consistently none of these. Moreover, his philosophy appears to be entirely out of tune with his own apparently profound perception of the problems of the society.

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[26] People's National Movement, op. cit., passim.

What was set as one of the major objectives of the society, the attainment of self-government and independence, was really a short-term instrument or mechanism which was necessary if one was to be able to direct properly the national affairs towards the achievement of such long-term goals as were considered desirable. But self-government and independence having been achieved, this goal could no longer provide any further stimulus for political action. His exertions in the direction of constitutional reforms were probably indicative of a too simplistic interpretation of the importance of the role of Government in the democratic society which he hoped to establish: that the possession of political power by the elected representatives of the people itself constituted adequate assurance that the national organism would be automatically guided towards the attainment of "the optimum social order", which therefore was not in need of, or susceptible to, prior definition. The strength of feeling on the issue was summed up as follows:

> "First, why did we go wrong? Because of our constitution.
>
> "A constitution is more than a piece of paper. It is the legal framework which decides who governs whom, in whose interests and for whose benefit..... But the constitution determines whether we are well-fed or ill-fed, sheltered well or badly, educated or left illiterate, healthy or sick. The best party with the best programme can be thwarted by a bad constitution.
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> "The constitution of 1950 is the root cause of all our troubles and difficulties.... Paraded as a transition to self-government, the 1950 constitution was an invitation to mis-government. It was a bogus constitution, a damnable fraud".[27]

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[27] Ibid., Section I, p. 4.

The other major objective "interracial solidarity" which appeared to have been an overriding consideration in the evolution of his thinking about the problems of the society, was not only a misplaced objective in terms of Williams' own analysis of the historical pattern of relationships in the colonial society, but its attainment logically to presuppose the prior attainment of other more immediate and intermediate goals the means for the assurances of which he did not seem prepared to adopt.[28] From his writings prior to 1956 one was led to an awareness, rather a conviction that there existed in Trinidad and Tobago society, as well as in other colonies, a large backlog of accumulated wrongs and maladjustments the correction of which would constitute the first order of the day. The legacy of racial discrimination, grossly unequal distribution of wealth and income, the existence of legal, institutional and social barriers to mobility of non-whites would require, one would have thought, firm and decisive governmental action of a legal and administrative character. The need to establish a presence of non-whites in the business elite group should have required certain fundamental economic reforms with particular attention to financial institutions etc. The ultimate objective of national cohesion itself required as a prerequisite serious attention to the system of national education which, being largely denominational and socially structured even within denominational groupings, was a mainspring of divisiveness in the society and did much to crystallise racial polarization.

Poverty of the peasantry which was recognized as deriving largely from the traditional unwillingness of the large plantations to divest themselves of unused land to be cultivated by the former slaves, demanded a forthright policy with respect to the redistribution of land.. In short, without attaching any "isms" to the kind of programme that appeared to be called for as a minimum advancement in the direction of the ideal society, it did not seem likely that the PNM could continue to retain widespread emotional appeal without specifying goals and introducing mechamism for their attainment in these and other crucial areas. Such a programme, motivated as may be assumed by a philosophy which is less all-embracing, could well have put in jeopardy the success of the appeal to a broad-spectrum of the population which was for the time being the instrument for securing the immediate objective - political power.

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[28] Ibid., Section II, p. 6; Sections III to IV, passim.

It is obvious that having secured power with the support of such diverse elements, the national compromise had to be continued to retain power, thereby entrenching the conservative elements. It is thus impossible to state whether, of his own accord, Williams would have moved in the direction suggested above and as a logical sequel to his own historical analysis, if it were possible to divest himself of the more reactionary elements on his band-wagon, a problem which he was himself forced to admit later in 1961.[29]

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[29] Eric Williams, Massa Day Done, pp. 15-17.

CHAPTER III

THE AIMS AND OBJECTIVES OF PLANNING.

This Chapter attempts to fulfill three purposes: first, to outline as briefly as possible the socio-economic problems which planning is aimed at eliminating; second, to restate the aims and objectives of the various plans and the evolution of these which has occurred especially over the last three plans; third, to identify the instruments and strategy employed by the Government in seeking to attain the stated objectives. Let us therefore begin by examining the nature of the development problem which Trinidad and Tobago faces.

1. Socio-Economic Problems of the Country

It is very difficult to conclude from an examination of the available statistical evidence that Trinidad and Tobago is an underdeveloped economy.[1] Table 1 of the Appendix shows that primary activity in the form of Agriculture, Forestry, Fishing and Quarrying - but excluding the Mining and Refining of Petroleum - constituted only about 8% of Gross Domestic Product at Factor Cost in current prices by the end of the decade of the 1960's. On the other hand Manufacturing activity, excluding Petroleum Refining, contributed over 17% to G.D.P.;not only is most economic activity of a secondary or tertiary nature, but the per capita G.D.P. in both current and constant 1960 prices is relatively high, being for the former about

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[1] Third Five-Year Plan, Ch. I, p. 3.

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and in fact there appears to have occurred as a result of the experiences of the Government with planning over the intervening decade (1958 - 1968) a serious reconsideration of its role vis-a-vis the private sector in development. Specifically, the degree of interventionism proposed in the First Plan was significantly more restricted, and pride of place was conceded to private capital especially in the new areas of emphasis such as manufacturing and tourism, with proposed institutions such as the Industrial Development Corporation, the Hotels Development Corporation and the Tourist Board acting merely as clearing-houses for information and promoters of investment. In its own view what the Government had to do was "to create a framework which is favourable to investment, and to try to persuade as many persons as possible, here or overseas, to create new employment opportunities".[24] This proposed framework was to be provided in four ways:

(a) heavy expenditure on improvement of the public utilities which serve the private sector, such as electricity, ports, shipping services, airports, roads, market places, water supplies and flood control;

(b) government assistance to producers through trade promotion (as in tourism and manufacturing), financial assistance (hotels, manufacturing, planting subsidies, agricultural credit, etc.) or technical assistance (agricultural extension, industrial services).

(c) considerable expansion of training facilities at all levels, including industrial training and university

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[24] First Five-Year Plan, p. 4.

$1600 (TT) or approximately $1000 (US) in 1971.[2] These statistics are very deceptive if taken at face value. What they fail to show is that much of the agriculture consists of traditional plantation production of a narrow range of very vulnerable export products to be sold on a highly unstable world market - sugar, coffee, cocoa, citrus. The sector devotes relatively little of its resources to production of primary products - food or raw materials - for domestic use, and what little resources are devoted to activity in this subsector make use of mostly inefficient traditional peasant techniques, are attended by very low levels of productivity, uneconomic returns and barely subsistence wage rates, and provide little or no basis for activity in the secondary and tertiary sectors. Even in the case of export agriculture, though this sub-sector has so far survived with the aid of certain preferences extended within the Commonwealth, productivity levels are very low by comparison with standards in other primary producing countries, and high unit production costs therefore threaten the continued survival of much of this activity with the now inevitable entry of the United Kingdom into the European Economic Community.

The Petroleum Mining and Refining sector has all the characteristics of a total enclave. It has relatively little linkage[3] with the rest of the economy, produces almost entirely for an export market either the crude mineral or products which result from the minimum of refining in the local plant, though, as can be seen from the fact that the sector accounts for nearly 21% of the G.D.P., it is large even by international standards. By comparison with agriculture, wages and productivity levels in this sector

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training; industrial and technological research; research in animal husbandry; expansion of education at secondary and university levels;

(d) special incentives to be created or expanded, such as income tax exemption (in housing, hotels, manufacturing), agricultural subsidies and tariff protection.[25]

The obvious similarity of the above instruments to those outlined in Section 2 of this Chapter is readily apparent. But the unshaken confidence of the Government at this time in the dependability of the private enterprise strategy as the means of promoting most rapid growth was also repeatedly expressed with assurance. With regard to manufacturing, it was felt strongly that much of Government's assistance in industrialisation, apart from the development of public capital works and training, could only be granted through fiscal and financial measures.[26] In the field of tourism, it was stated that not only would the Tourist Board's own possibilities for the direct development of tourist attractions be limited, but that its primary function would be to encourage and to assist private enterprise to develop those amenities which will prove an attraction to tourist visitors, and will add to the enjoyment of their stay in the Islands. It was further stated categorically that it was not Government's intention to become a large-scale hotel proprietor or the major source of capital for hotel expansion, its purpose being rather to extend its incentive programme to include such assistance to hotel development as the tax-free dividends are extremely high, being several times the level prevailing in the primary sector. The sector thus not only is the major contributor to the very obvious dualism[4] in the domestic economy but also tends to perform the role of a 'key sector'[5] in setting the pace for wages, working conditions, and standards of living in the modern sector of the economy. The pressure on wage rates tends to produce in the modern sector demands for higher productivity and an inexorable trend towards increasing capital intensity and the use of sophisticated modern technology which is not only inconsistent with relative factor endowments in the economy, but also imposes severe strains on the balance-of-payments since the country is not a producer of capital equipment.

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[25] First Five-Year Plan, p. 4.

[26] First Five-Year Plan, p. 13.

The fact that the two major primary sectors - Agriculture, Fishing and Quarrying on the one hand, and Petroleum Mining on the other - produce largely for export and little or no raw materials for use in Manufacturing at large means that there has been only minimal exploitation of the opportunities for establishing backward and forward linkages within the economy.[6] Though the drive to develop the economy through the expansion of manufacturing industries has proceeded now for more than two decades since the introduction of the first industrial incentive legislation in the Aid to Pioneer Industries Ordinance (Chapter 33, No. 3) of 1950, and may be said to have met with some degree of success in terms of numbers of plants established and quantum of capital invested, the success may well

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be open to question if viewed in terms of value-added within the economy or in terms of direct and indirect employment created, and therefore also in terms of real contribution to economic transformation and self-sustained growth.[7] A very large proportion of the manufacturing industries established outside of the enclave petrochemical sector is devoted to the mere assembly of semi-finished imported inputs into final consumer products for the domestic market.

The implications of all this for employment and unemployment in the Trinidad and Tobago economy are easily inferred. In spite of the tremendous potential for expansion in agriculture, the persistence of low productivity and low wage rates, and an increasing disparity between wage rates and income levels in agriculture and the modern sectors constitute a strong disincentive to association with that form of activity particularly for young people, while the prospect of possible, even part-time absorption in the modern sector serves to attract even those with no skills at all to the various foci of industrial activity in the urbal areas. The level of employment in the petroleum sector has traditionally been small relative to its contribution to output - about 4% of Labour Force as against about 21% of G.D.P. - and has in recent years been dwindling as a result of technological innovation as well as on account of contraction in certain aspects of the industry.[8] Technical progress has also been affecting employment in export agriculture, whereas employment in domestic agriculture is adversely affected for reasons mentioned above. Quite the contrary to the case of the petroleum sector, total share of Labour Force here approximates 23% compared with 8% of G.D.P.[9]

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[7] Third Five-Year Plan, Ch. II, p. 13.

[8] Third Five-Year Plan, Table X, p. 114.

The adverse movement of the shares of petroleum and agriculture in total employment, accompanied as it was by very sluggish movement in the growth of employment opportunities in manufacturing, the possible reasons for which were suggested above, has placed exceptional pressure on the public sector to absorb as much as possible of the slack in an ever increasing body of unemployed, especially among young entrants into the labour force in the age cohort 15 to 25 years. While the level of unemployment for the population as a whole has been estimated at between 12 - 14% of the Labour Force (44,600 in June 1971), the proportion of this 15-25 years age cohort which was unemployed was some 24%.[10] In this modern era of mass protest and agitation, and militancy of youth, this makes for a highly unstable and delicate political situation fraught with social problems of delinquency, crime, drug-addiction, psychological instability and lack of motivation which may seriously affect the future quality of the labour force. In addition it certainly aggravates an already extreme degree of inequality in the distribution of income, wealth and opportunity which cannot but add fuel to a highly volatile political situation.[11]

These, briefly, were the circumstances which set the tone for the Black Power Revolution sometimes called the February Revolution of 1970 and the continuing state of political and social unease which has ensued since that time, involving declarations of States of Emergency for two prolonged periods from April to October 1970 and again from October 1971 to June 1972. For obvious reasons the situation provides a climate very conducive to the development of leftist forces, and the regulations and restrictions invoked during the states of emergency, as well as the amendments to existing laws and new laws introduced during the past two years of unrest have been aimed particularly at containing or suppressing the growth of these elements.[12] There have also been some attempts at a more positive response to the demands by the masses for new directions of public policy. These I shall try to examine with some care in the later sections of this Chapter.

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[9] Third Five-Year Plan, Table X, p. 114.

[10] Budget Appendix 1972; Budget Speech, pp. 4-5. Third Five-Year Plan, Table VI, p. 108.

[11] Budget Speech 1972, p. 1.

2. The Aims and Objectives of the Third Five-Year Plan, 1969-1973

Chapters I to IV of the Third Five-Year Plan 1969-1973 repeat with unusual frequency the three major objectives of the plan. These objectives, based on a "diagnosis of the economic and social problems of the country", were regarded as "the principal structural problems which have to be overcome if a process of self-sustained and internally generated development is to be set in train". They may be stated as follows:

(i) Diversification of the structure of production of the economy so that it can continue an internally generated process of growth in agriculture, fisheries, manufacturing and tourism, irrespective of adverse or favourable developments in the petroleum sector of the economy;

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[12] See list of Amendments and Emergency Regulations.

Since the aim of development planning by the public sector is to provide the Government with an opportunity to influence that course of economic and social events in the direction of the "optimum social order", there is implicit in the exercise an assumption that without such intervention, whether merely indicative, persuasive or imperative,[18] progress towards this optimal state would either be unnecessarily delayed or frustrated altogether. It also implies that the existing state is suboptimal, or if optimal, that the future holds a threat to the maintenance of such optimality, and that therefore intervention is necessary to secure its continuation or restoration in case of temporary departures from it. The long-term goals of planning therefore ought to define clearly the specifics of the "optimum social order"; and the instruments and intermediate goals used should be conducive to its attainment.

What then were the means proposed in the Third Five-Year Plan to be employed in attaining its objectives. Among other things the plan envisaged a wide range of direct and indirect action by Government, as well as various forms of persuasion and moral suasion on a broad front. The main elements in the programme of diversification were set out as follows:

(a) Rapid expansion of exports and manufactures for the CARIFTA market and increasingly for wider regional and world markets;

(b) Continued increases in the production of food, livestock and fish products primarily for the domestic market, but increasingly for CARIFTA and wider regional and world markets;

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[18] Vera Lutz, Central Planning, Ch. I, p. 8.

(c) Rapid expansion of the tourist inductry with adequate safeguards for the social values of the community and for the dignity of the average citizen;

(d) An expansion of the earnings from the present acreages devoted to our traditional export industries by reduction in cost of production and increases in yields per acre (in some cases, as in the case of cocoa, it will be necessary to remove marginal lands from production of a particular crop);

(e) A deliberate attempt to reduce the taste for inessential imported goods and services in favour of locally produced goods and services.[19]

The attack on the problems of unemployment would involve not only the central task of accumulating more capital for use in productive activities at home, but also exploring the possibilities of adapting technology to local conditions; providing the right kind of skills and training through the education system; changing tastes towards a greater preference for locally produced goods and services; promoting greater interest in modern scientific agriculture particularly among the younger people; adopting an approach to wages and other incomes which reflects our peculiar economic structure; taking steps to reduce the rate of growth of population and of the labour-force; a massive housing and construction programme; the establishment of youth camps for training young people in productive skills, especially those of an agricultural nature, so that they could more easily be absorbed into productive employment at home; special Government programmes to provide work for the unemployed while at the same time creating useful community assets; the development of handicraft products for sale to tourists and for export to North America and other markets.[20]

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[19] Third Five-Year Plan, Ch. IV, p. 32, para. 9.

Many of the proposals in respect of the development of the national economy were common to the other two objectives as well, but there were also more specific areas of policy: a conscious attempt to build up local mechanisms for mobilising both risk and loan capital and in general more locally owned financial institutions to mobilise domestic saving potential for domestic investment in productive activities; more locally owned enterprises in industry, agriculture and tourism; establishment of our own institutions for applied scientific research into agriculture and other natural resources and into technology; building on the local genius of the people to develop its own designs and styling necessary for successful large-scale exports of manufactures; more rapid development of local entrepreneurs, managers, technologists and technicians; promotion and encouragement of economic initiative and self-help among the ordinary people in cooperative and other ventures and in novel and indigenous and therefore authentic forms of organisation; mobilising and committing the population at all levels to greater participation in the economic process by provision of opportunities for persons of all colours and all classes to enter into business activities; a greater role for the public sector in running industries traditionally reserved for foreign enterprise such as oil and sugar, so as to demonstrate the capacity of the indigenous population successfully to undertake such tasks; Government must own and operate or substantially control all the public utilities of the country; the public authorities should play a greater role in the operation of the mass media so that a national consciousness, a national ideology and national self-confidence can be created; public authorities must play a greater role in developing the national culture by providing public facilities for the expression of artistic talent and for displaying the culture of the ordinary population.[21]

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[20] Third Five-Year Plan, Ch. I, p. 7, para. 19: Ch. IV, p. 34, para. 16.

3. The Evolution of Planning Objectives and Policies

Except for a clearer specification of the nature of the policy for promoting greater national autonomy, which really transcends all the other objectives, the goals and instruments outlined for the Third Five Year Plan 1969-1973 above are hardly distinguishable from those set out for the Second Five Year Plan 1964-1968 or, for that matter, from those outlined in the Five Year Development Programme 1958-1962 though, as will be discussed later, there has been a very noticeable change in the practical policy manifestations of these objectives. With regard to the nationalist objectives, it is as if the real meaning and content of true independence, which had been erroneously pursued as a simple matter of constitutional development in the earlier decades, was only now beginning to be understood.[22] This clearer understanding of the content of independence may have evolved partly from a closer appraisal of the problems of the economy following its failure to provide the quality of human existence which one was led to expect would emerge from the reasonably attractive rates of growth which were realised during the first two plans. It may, of course, also have represented a concession to the more radical elements in the society who, by the time the Third Plan was in process of preparation, were vociferous in their widespread condemnation of the evils of foreign exploitation and the failure of the nation to secure control of its own destiny.

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[21] Third Five-Year Plan, Ch. I, p. 9, para. 26; Ch. IV, p. 35, para. 19, p. 37, para. 24.

In fact this draws attention to two interesting aspects of the objectives that are worth noting. The first is that because they relate less to goals in respect of the conditions of human existence in the society and rather more to conditions of the aggregate statistics for the economy which are in general worthy of attainment in any polity irrespective of ideological commitments, it has proved possible to accommodate almost any item in a wide spectrum of policy instruments considered desirable for the time being, without appearing to be in breach of any political pledges to any group within the society. There are few societies which aspire to anything less or aim to achieve anything more. The second is that the particular method of presentation of the objectives may have been deliberately chosen because in this form they would prove to be a compromise acceptable to all the heterogeneous elements which constitute the party in power, and yet be flexible enough to enable the Government to respond in some measure to the radical demands of militant leftists, such as were made during the last few years.

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[22] Vide Supra, Ch. 2, pp. 20-21.

The principal economic needs of Trinidad and Tobago at the time of the introduction of the Five Year Development Programme 1958-1962 (The First Plan) were recognised as being:

(a) Provision of a large number of jobs;

(b) Development of the resources of the entire country;

(c) Expansion of existing industries and introduction of new ones.

This derived from the new Government's identification of what it called the "principal features of the economic development of the country" as being: the domination of oil, sugar and asphalt industries; the underdevelopment of certain areas; the limited contribution of pioneer industries to employment and national output; the existence of 18,000 unemployed in a labour force of 270,000 in a population of 720,000 of whom 293,000 are children under 15; and the existence of considerable underemployment amounting to 14% of total employment.[23]

In essence therefore, the conception of social problems as well as the goals set for the plan was very much the same as for the Third Plan. The proposed policy instruments, however, were neither as broad in scope nor as penetrating in depth as were those proposed under the later plan;

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[23] First Five Year Plan, p. 1.

enjoyed by pioneer industries.[27]

For the first time the major and all-embracing goal of development policy was defined in terms of humane considerations in the Draft Second Five-Year Plan 1964-1968. "The long-run objective of our national development must be the full utilization of our human and natural resources together with our capital resources so as to yield to the broadest segments of our society such levels of living as are commensurate with modern requirements of human dignity".[28] But even though it is here stated that "the short-term goals of the First and Second Five-Year Plans have been, and are, the freeing of the human and economic resources from their dependence on direction from abroad and the initiation of that economic and social transformation which will enable the country to realize its full potential", one must note with regret that nowhere in the goals or policies of the First Plan does there appear to be any mention of the question of minimising domination from abroad.[29] It is true that "the domination of the oil, sugar and asphalt industries" is identified as one of the "principal features" of the economy, but this is cited rather by way of recognition of maladjustment in the structure of the economy. As noted above, the policy programme was aimed at providing a framework which welcomed private capitalists from at home and abroad with open arms in "an atmosphere where industrialists would feel welcome to enter and encouraged to expand"[30]

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[27] First Five-Year Plan, pp. 14-15.

[28] Second Five-Year Plan, Ch. I, p. 3; Ch. V, p. 64.

[29] Second Five-Year Plan, Ch. I, p. 3.

[30] See note 24 above; also First Five-Year Plan, Ch. V, p. 13.

The erroneous representation of the above goal as one of the objectives of the First Plan therefore appears to have arisen from a belated realization that it should have been; and that the free reign given to foreign investors under the system of incentives begun since 1950 and, reinforced under the First Plan, had serious limitations in terms of its potential for promoting growth and economic transformation. As we shall see later, a reconsideration of the system of fiscal incentives was initiated early in the life of the Second Plan, and led to significant modifications of some of the more wasteful aspects of the system.

How little the thinking behind even the Second Plan was influenced by the desire to reduce the extent of foreign domination of the economy is clearly indicated by the fact that nowhere in Chapter VI, which deals at length with Objectives and Targets of Five-Year Plan 1964-1968, is there even an indirect reference to this as an objective of policy. Moreover, in the Introduction and Summary contained in Chapter I, not only is it recognised that "the economy... is based on private enterprise" and "that the investments of private capital have in the past and will continue in future to represent the large bulk of the total annual investments in the country",[31] but it further reveals an apparent resignation to the virtual futility of planning efforts when it states that "the year 1968 will, therefore, still find the country plagued by structural unemployment, due in part to the extremely high rate of population growth, by too heavy a dependence on the oil industry and on a few agricultural export crops, and by too great a reliance on foreign investment capital".[32]

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[31] Second Five-Year Plan, Ch. I, p. 3.

[32] Ibid., p. 9, para. 23.

Unlike in the Third Plan, which contained concrete policy proposals for furthering the objective of greater national control, the Second Plan seems to have confined itself to the pious exhortation that "local capital must accept and play a far more important role than hitherto in the economic life of the country if assurance is to be had that the nation's economic future is to be guided by people with a permanent stake in the Independence of the country and its people".[33] Yet, Chapter VI reveals as two of the major assumptions of the Plan the expectations that (a) "the country will continue to attract private capital from abroad for the manufacturing sector at an increased rate"; and (b) "the country will receive a volume of foreign aid commensurate with its needs and its ability to absorb such aid effectively"; as if both these assumptions were not in flagrant conflict with the objective of national economic independence.[34]

Though the bleak prospects for the petroleum industry, the lifeblood of the economy, created something of an aura of crisis in governmental circles at the time of the preparation of the Second Plan, with the rate of growth of output of crude petroleum anticipated to fall from 7.5% to 3% per annum during the life of the Plan, the objectives of the Second Plan remained essentially the same as for the First Plan. These were:

(i) to change the structure of the economy, so that the existing over-dependence on a single industry - petroleum - would be reduced; this required Manufacturing and Agriculture to expand much more rapidly than the petroleum industry;

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[33] Ibid., Ch. I, p. 4, para. 7.

[34] Ibid., Ch. VI, p. 73, para. 4.

(ii) to achieve a satisfactory rate of growth of per capita product and income;

(iii) to provide productive employment for the increasing labour force.

Certain specific objectives were set for the public sector by the Plan:

(i) providing for the expansion in the infra-structure necessary for continued economic growth; and

(ii) expanding social overhead facilities on a scale sufficient to provide for the rapidly increasing population.[35]

Thus, through both the First and Second Plans, the essence of the strategy remained one of unbridled private enterprise with the minimum of governmental intervention proposed beyond the creation of a framework which it considered conducive to development: development of infrastructure, protection of the market, fiscal incentives and improvements to social amenities. This remained so in spite of the fact that it was found desirable in the Second Plan to provide the sum of $26 million (TT) "for assistance in the form of loans and credits to agricultural and manufacturing industries", and contemplated "the possibility that, if private enterprise acting alone should prove too timid, Government may enter certain industrial fields if it should regard them as sufficiently vital to the country's economic progress".[36] But though the objectives remained superficially the same, in terms of their policy content, they encompassed the evolution from the uninhibited individualism of the first two plans to the "protective but creative economic nationalism" of the Third Plan.

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[35] Ibid., Ch. VI, p. 72, paras. 1 - 3.

Perhaps of no less significance than the new policy of "constructive nationalism" to the planning process was the evolution of the degree to which the Government was prepared to be directly involved in what was traditionally the hallowed ground of the private sector. The policy of economic nationalism as indicated earlier implied not only an expressed preference for local involvement and control wherever possible, but also the establishment of certain institutions and the introduction of laws and regulations which would facilitate the attainment of this objective. It also went much further. Whereas the Second Plan merely threatened to enter certain industrial fields considered vital to economic progress and only if private enterprise should prove too timid, the Third Plan was forced to admit that the private sector proved inadequate to the tasks set for its achievement, as well as "somewhat insensitive to national economic policies and objectives".[37] The logical consequence of the failure of the private sector to respond in the manner anticipated was the ushering-in of a mixed economy policy in the Third Plan. It was announced that "the public sector will also not hesitate to enter either alone or in partnership with foreign or local private capital into the productive fields of industry, tourism and agriculture".[38] It was considered that a corollary to the economic nationalism was "that there should be no objection to the principle of the public sector taxing the private sector and making part of the money available for investment in directly productive activities. Any attempt to make a sharp distinction based on ideological preconceptions between the respective spheres of the public and private sectors under the specific conditions of Trinidad and Tobago would be totally irrelevant to the real problems of economic and social transformation of the country".[39]

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[36] Ibid., Ch. I, para 21, p. 9.

[37] Third Five-Year Plan, Ch. II, pp. 18-19; p. 24.

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[38] Ibid., Ch. V, p. 53, para. 47.

[39] Ibid.

CHAPTER IV

PROCEDURES AND LEGAL AND INSTITUTIONAL MECHANISMS FOR PLAN FORMULATION AND EXECUTION

1. Procedure for Plan Formulation within Government

Though on paper the procedure followed in formulating the three Plans executed between 1956 and the present appears to have changed with each plan, and therefore gives the impression of having been very unstable, this is in fact a somewhat erroneous impression of the true situation. In essence the procedure followed has been one of decentralized planning with the various Departments and Ministries of Government responsible for drawing up the sectoral plans which were then coordinated by the planning secretariat. The Secretariat was also responsible for formulation and presentation of the basic philosophy and strategy of the plan, as well as for assessment of the available resources and the allocation of those resources according to the order of priorities decided upon by the Government in consultation with it. The changes in procedure which are evident from the description of the planning process included in each of the plans were really minor variations on this common theme. These variations were dictated by one or the other of three factors:

(a) the availability within each Ministry or Department of an adequate compliment of trained technical personnel for preparing the sector plan with specifications which were sufficiently detailed to permit ready execution;

(b) embellishment of the planning machinery so as to facilitate wider public involvement and participation in the process but also to confer upon the plan a certain acceptability and dignity of status derived from the elaborateness of the procedure and its underlying organizational structure;

(c) the degree of cohesion for the time being obtaining between Government and the private sector, as well as among the major personalities within the Government itself, which tended to influence the extent to which various elements in the machinery would or would not be activated in the planning process.

The First Plan (1958-1962) which was completed within fifteen months after the P.N.M. Government took office in the last quarter of 1956 was in the words of the Plan itself an attempt "to implement the election pledges which placed the Government in power".[1] It was not an ambitious plan and had to be hurriedly formulated because it was intended to modify and replace the 1956-1960 Plan of the predecessor Government, the execution of which had already begun since the election year 1956, but which could not be entirely abandoned without a serious deflationary effect on the economy. There was thus a minimum of interference with the existing machinery which had been in operation when planning was directed by a colonial official - the Financial Secretary. The Chief Minister (Dr. Eric Williams) who also assumed the responsibilities of the Minister of Finance, who was now to replace the Financial Secretary under the new constitutional arrangements, therefore included planning within his portfolio. He appointed a small group of young nationals, university graduates, to a Planning Unit within the Office of the Chief Minister, working under the direction of certain expatriate advisers to the Government.

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[1] First Five-Year Plan, Introduction, pp. 1-2.

This system of using full-time foreign expert advisers was an inheritance from the earlier period of planning when the Colonial Government, in the absence of qualified nationals, employed experts appointed under special arrangements via the Colonial Development and Welfare Scheme discussed in Chapter I. Each Ministry usually had an expert technical director who took charge of operations within the particular sphere of activity, advised the Minister on technical matters, and had overall responsibility for drawing up the sectoral plan. The small Planning Unit within the office of the Chief Minister acted as coordinator of the sectoral plans of the various ministries, but also initiated detailed studies and proposals for certain sectors and industries such as petroleum and telephones on its own initiative. It thus provided advice to the Chief Minister on relative priorities and on new areas of emphasis in policy for economic development.

The Government at this time also sought the assistance of the International Bank for Reconstruction and Development in the conduct of a survey of the economy but was unsuccessful. It therefore appointed a number of ad hoc Committees and Commissions to carry out this assignment, and made full use of studies initiated by its predecessor in office. It also had the benefit of consultations with Professor Arthur Lewis then of Manchester University, and Mr. Teodoro Moscoso then of the Economic Development

Administration of Puerto Rico.[2] The relative inexperience of the Planning Unit and the haste with which the assignment was executed are both reflected in the nature of the First Plan which is really a list of public sector projects with little added by way of analysis of objectives, strategy or policy instruments beyond the mention of the need for additional taxation to mobilise resources to finance the programme. This degree of comprehensiveness was left for the later plans.

The Second Plan appeared to have achieved the ultimate in terms of the organisational structure for planning. By the time of this plan (1964-1968) Independence had been achieved (in 1962) and there was thus complete devolution of political and economic power into the hands of the Prime Minister and his Cabinet who now had total control over economic and financial affairs with the Governor reduced to a figurehead. Consistent with this era of full and complete accountability there was established a more elaborate organisational structure for planning as well as new procedures for consultation of the public.

At the top of the organisational structure was the National Planning Commission composed of five Ministers of whom the Prime Minister was Chairman and the Minister of Finance Deputy Chairman, and five senior technically trained public servants including the General Manager of the Industrial Development Corporation, and the Director of the Economic Planning Division of the Office of the Prime Minister (formerly the Planning Unit) as Secretary/Member of the Commission. The Economic Planning Division was, as may be expected, both the Secretariat to the Commission as well as the coordinating Secretariat for the planning process in general. The functions and powers of the National Planning Commission were set forth in paragraphs 3 to 7 of a White Paper presented to Parliament which it is useful to quote at this point:

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[2] Ibid, pp. 2-3.

> "3. The Commission shall be responsible for the formulation of long-term, medium-term and annual plans for the improvement and expansion of the country's material resources; for the fullest development and utilisation of its human resources; and for the economic and social betterment of its people.
>
> To this end the Commission, working in consultation with the Ministers of Government and Statutory Boards and, where necessary, with the private sector of the economy, shall -
>
> (a) assess the human and material resources of the country;
>
> (b) set up mutually consistent quantitative targets in both the economic and social fields and propose, where necessary, measures to achieve such targets.
>
> "4. The Commission shall be responsible for the evaluation of the progress of plans.
>
> To this end the Commission shall -
>
> (a) review all public sector projects from their inception to their completion through a system of project reports drawn up along such lines as shall be established by the Commission;
>
> (b) undertake on a continuing basis the evaluation of the economic and social progress of the country.

> "5. The Commission shall approve any Development Plan prepared under the provisions of the Town and Country Planning Ordinance before any such Plan is submitted to Parliament and, pending the preparation of such a Plan, any major proposals involving land use or physical planning before such proposals are adopted.
>
> "6. The Commission shall advise Cabinet on such economic, social, financial or other problems relating to national planning and the execution of the Plan as may be referred to it from time to time.
>
> "7. All Ministries of Government and Statutory Boards shall be required to assist the Commission by providing it with such information as it may need in order to discharge its duties".[3]

The powers conferred upon the Commission which was made the supreme planning authority of the country under the Cabinet, enabled it, where Ministries were weak in terms of qualified personnel or slothful in their preparation or execution of projects, to assume responsibility for preparation and execution of the sectoral plan in whole or in part with the expertise at its disposal, many of whom specialised in matters pertaining to particular sectors. This was understood to be the method employed in the initiation of the Crown Lands Development Project at Waller Field for which the Ministry of Agriculture assumed responsibility at a late stage of its implementation. With time, however, the major executing Ministries developed Planning Units fully staffed with competent personnel, in numerous cases the former officers of the Planning Secretariat, and became progressively better able to handle efficiently all aspects of their sectoral planning function. There has thus also occurred a certain attrition of the role and powers of the Economic Planning Division, and an increasing decentralisation of the planning process even though with increasing Government intervention it has experienced increased importance and status as the planning coordinator and allocator of resources available for development. Consistent with this, of course, is its increased role in the overall direction of economic affairs, in defining the national economic strategy and the day-to-day details of its implementation, as well as evaluating the extent to which the implementation of the Plan is proceeding satisfactorily.[4]

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[3] Second Five-Year Plan, Ch. II, pp. 10-11.

By the time of the preparation of the Third Plan 1969-1973, the elaborate machinery established for drawing up the Second Plan had broken down irreparably. The political machinery employed on this occasion is modestly described in nine lines contained in the Foreword to the Plan by the Prime Minister:

> "In December, 1968, a first draft of the Plan was published for public comment. The framework of this Draft Plan was formulated by a Planning Committee of Ministers and senior Civil Servants under my chairmanship.
>
> In the early months of 1969 the Draft Plan was the subject of several written comments submitted to the Government by

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[4] Second Five-Year Plan, Ch. II, p. 19.

> organizations and individual members of the public. These comments were of great assistance to the Cabinet in its study of, and formulation of amendments to, the Draft Plan.
>
> The Draft Plan, subject to Cabinet's proposed amendments, was subsequently approved by Resolution of both Houses of Parliament in July, 1969".[5]

In essence, of course, the Plan had been prepared according to the traditional routine by what had now become the Ministry for Planning and Development (formerly the Economic Planning Division of the Office of the Prime Minister) acting as the coordinating secretariat for the sectoral plans of the various Ministries, and as the organization responsible for masterminding the national economic strategy.

2. Public Participation in Policy Formulation and Planning

As in the case of the formal organization of the machinery for plan formulation, both the formal procedure established for consultation and involvement of the public in the planning process as well as the *de facto* use of the procedure attained its zenith during the Second Plan 1964-1968. In the case of the First Plan, not only was the machinery not yet developed but, since the majority of projects and policy prescriptions in the Plan were regarded as fulfilment of the 1956 election pledges, there was, one may suppose, no further need of formal public approval, the election success being treated as a virtual public seal of approval.

The public consultation machinery took cognizance of the fact that "in the past no attempts" had been "made to enlist the participation of the public and of organized groups in the formulation of plans", though "the cooperation and participation of the general public, of private enterprise organizations and of the Trade Union Movement" were necessary "if only because the execution of such a programme usually" called for " the mobilization of efforts and resources, and even the making of sacrifices in the present for the sake of the future".[6] Because of the"highly permissive nature" of planning it could not "rest on Government fiat as in collectivist economies"; but it was "necessary to encourage the private sector to meet certain broad goals through tax, credit and tariff inducements and through the persuasion and exhortation by leaders of the community".

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[5] *Third Five-Year Plan*, Foreword, p. (iii).

The device established for securing this participation appeared, however, to be unnecessarily unwieldly and complex in a country which had not previously enjoyed any tradition of consultation on matters of policy. The major organ of consultation was to be the National Economic Advisory Council consisting of:

(a) Five members selected by the Business Advisory Council
(b) Five members selected by the Labour Advisory Council
(c) Two members selected by Government from among other organizations such as Distinct Agricultural Societies, Credit Unions, Cane Farmers' Associations, Friendly Societies etc.

The Plan was to be submitted to this body for review and comment. The Labour Advisory Council and Business Advisory Council, each consisting of 15 representatives from their respective areas of interest, were to "advise Government generally on matters affecting the economic development of the country".[7]

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[6] Second Five-Year Plan, Ch. II, p. 22.

The Draft Plan was also submitted for public comment both in the form of written memoranda, and at a Conference called at Queen's Hall for that purpose in 1963 and involving participation by organised groups as well as individual citizens. Beyond that it was also intended to employ the facilities of Government on radio and television to explain and present the Plan to all groups in the community and bringing into the picture such rural organizations as Village Councils, Agricultural Credit Societies, Women's Groups, the Agricultural Extension Service and the proposed County Agricultural Development Boards.[8]

But this elaborate machinery for consultation was never fully activated in the formulation or execution of even the Second Plan for which it had been proposed and during the life of the Plan it remained for the most part disfunctional. However, on selected occasions, the National Economic Advisory Council was revived, less as a means of securing advice and participation in formulating policy, than as a device for re-establishing contact between Government and the private sector in times of crises when it was felt that there was need for re-establishment or strengthening of such contact with interest groups.

It appears that conflict within Government circles as well as between Government and the private sector engendered by the Finance Act, followed by labour turmoil and a State of Emergency in 1966 which ushered in the era of the Industrial Stabilisation Act passed in that same year, had left the established machinery for public consultation on policy issues in a state of shambles long before the last year of the Second Plan. There were various attempts to resuscitate it through several tripartite (Government - Business - Labour) consultations, the principle of which had already been implemented in the institution of the National Economic Advisory Council, and made effective in the 1964 Tripartite Conference on Employment in the Oil and Sugar Industries.

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[7] Ibid.

[8] Ibid., p. 23.

In 1966 a sequel to this latter conference was held as the Tripartite Conference on Employment in Industries Other than Oil and Sugar which, however, was adjourned without being conclusive, and did not resume until 1968 to consider, among other things, the question of National Insurance. The same tripartite principle was employed at a Conference called in 1967 to review the whole area of fiscal policy, particularly the Finance Act 1966, the threat and realization of which had driven a wedge in relations between Government and the business community since 1965. This Conference was preceded by a Cabinet reshuffle which saw the Prime Minister again assuming responsibility for the Finance portfolio, which he was urged to do by the business community, and the former Minister of Finance being given the portfolio for External Affairs.

Finally, in reviewing the devices used for public consultation in policy formulation, one cannot ignore two mechanisms which have been extensively employed by the Prime Minister himself as a means of boosting the image of Government and of relating to the masses. The first is the device of the 'tour' extensively used as a medium of mass contact throughout the life of the Second Plan and even during the Third Plan. The most important of these include:

(i) The Meet the People Tour
(ii) The Meet the Schools Tour
(iii) The Meet the Manufacturers Tour.

The second medium of mass contact was the device of the National Conference which, it was observed, was employed as part of the planning process in the case of the Second Plan. The device was also used as an organ of consultation on policy issues other than in the process of plan formulation. Among these were:

(i) The National Conference on Education
(ii) The National Conference on the Garment Industry
(iii) The National Consultation on Prices planned for July 1972.

In a sense the recourse to these more direct devices resulted from the abandonment of the more intricate consultation machinery established under the Plan, but more than that they eliminated the dependence of Government on the goodwill and cooperation of the Business and Labour Organizations for obtaining access to public opinion

3. Other Institutional and Legal Mechanisms

The period of the First, Second and Third Plans has also been one of very considerable institutional and legal development. The motivation towards policy changes in this sphere appears to have been influenced by several factors of which these four may have been most important:

(a) The desire to exclude from the pure regulatory and administrative operations of Government *per se*, which would normally be expected to be covered by the revenues of the Consolidated Fund, those economic or 'productive' functions in which the exclusion principle could usefully be applied. This was intended to facilitate benefit taxation or quasi-taxation, or even market pricing to determine the allocation of product shares among consumers with the ultimate aim of making a profit or at least self-financing.

(b) The attempt to make available to the public sector at least on a part-time basis expertise available within the private sector through the medium of the quasi-independent Statutory Board appointed to supervise and direct the operations of certain public sector activities. Of course, it has often been argued that this kind of multiplication of Statutory Boards is merely a device for providing opportunities for political patronage by creating sinecures for party supporters and thus maintaining the vitality of the party in power. The argument is not without merit, but on the contrary one may object that this need not be at the sacrifice of competence if the required expertise is available among party supporters; and further that not only is conflict between the Statutory Board and the Central Government likely to impair efficiency of the Board's operations, but also that it is essential for the Government to repose confidence in the ability and willingness of the Board to implement its conception of national policy.

(c) Measures specially devised for increased economic regulation and for improving the mobilisation and allocation of resources. These were both of an institutional and legal nature.

(d) An effort to achieve private-sector type speed of decision making and operational efficiency in certain crucial areas by removal of the purely technical aspects of these functions from the direct control and red-tape of the Central Government.

(e) The creation or improvement of education and training facilities to enhance productivity and efficiency of the labour force in areas of serious manpower deficiencies.

Parallel with the diversity of justifications which could be adduced for the legal and institutional changes which took place during the period 1956 to 1972 is the wide range of sectors which was affected by these developments. In a short monograph such as this, one can hardly attempt to describe the rationale for the long list of institutions or legal provisions involved here. I shall therefore confine myself to a listing of them by sectors:

Public Utilities: The amalgamation of the Port-of-Spain Corporation Electricity Board and other electricity-producing bodies into the Trinidad and Tobago Electricity Commission now solely responsible for the production and distribution of electricity throughout the country; the merging of the various Central Government Departments and local bodies responsible for winning and distribution of water resources into a single Water and Sewerage Authority operating on a national scale; Government purchase of the formerly privately owned Telephone Service and its development and expansion into the Trinidad and Tobago Telephone Company of which, however, regrettably, a 50% share was later sold to an international corporation, the U.S. Continental Telephone Corporation; the purchase of British West Indian Airways from British Overseas Airways Corporation and attempts to have it accepted as the Regional Carrier consistent with the goal of Caribbean Regional Integration; the vesting of the assets of the Port in a Port Authority and the setting up of a limited liability company, Port Contractors Limited, to conduct stevedoring services,; the take-over from private concessionaires of the operations of the various omnibus services and the establishment of a single nation-wide Public Transport Service Corporation to operate omnibus services and phase out the former Trinidad Government Railways; finally, the establishment of an independent Public Utilities Commission to operate as a judicial Tribunal to consider applications for rate changes by Public Utilities, as well as to advise Government on conditions of service of all utilities (except British West Indian Airways) under the provisions of the Public Utilities Commission Act 1967.

Fiscal, Monetary and Financial Services: Review of Incentives and Direct Taxation at periodic intervals, but particularly under the provisions of the Finance Act, 1966, followed by a Tripartite Fiscal Review Committee in 1967; the introduction of an unemployment levy in 1970 as a supplement to the personal income tax; continuous revision of Indirect Taxation to achieve effective protection of locally produced commodities, to penalise conspicuous consumption and to alter the basic structure so as to increase the impact on a wide range of locally produced non-essential manufactures via excises and purchase taxes; increase of the royalties on locally produced crude oil; the introduction of the policy on Financial Devolution consistent with powers conferred upon the Minister of Finance under the Exchequer and Audit Ordinance 1959, and involving the appointment of the Permanent Secretary (Chief Administrative Officer) of each Ministry as its accounting officer in January 1960; the creation of the Central Bank under the Central Bank Act 1965 with powers to control the operations of Banks and other financial institutions and regulate the supply of credit; the establishment and promotion of indigenous commercial banking via the National Commercial Bank (established after the purchase of the assets of the Bank of London and Montreal in 1970) and the Workers' Bank of Trinidad and Tobago in 1971; the provision of finance in the field of housing through the joint establishment with the Commonwealth Development Corporation of the United Kingdom of the Trinidad and Tobago Mortgage Finance Company; the creation of the Trinidad and Tobago Development Finance Company, as a domestic source of finance for industrial development, and the participation in the Caribbean Development Bank on a joint basis with other regional and non-regional Governments to provide development finance throughout the region; the introduction of the Insurance Act 1966 for the purpose of controlling insurance and pension funds; and finally in 1972 the initiation of a System of National Insurance as a means of enhancing social security.

Industry, Trade and Labour Relations: In 1958 the Industrial Development Corporation was established to promote local and foreign investment in the field of manufacturing and tourism. It was expanded to include two new areas of interest at a later stage: the Management and Productivity Centre aimed at assisting the private sector in improving labour efficiency and the quality of management, and the Small Business Unit operating under a Small Business Council, aimed expressly at giving financial assistance and direction to small labour-intensive business ventures with total assets under $100,000 TT. The Caribbean Industrial Research Institute (CARIRI) was set up with the assistance of the United Nations on the St. Augustine campus of the University of the West Indies to do research in the field of indigenous technology and the development of local raw materials. The Trinidad and Tobago Tourist Board was established to promote tourism and manage beach and other tourist attractions, while a Hotel and Catering School was set up to train prospective workers in this sector at the John F. Donaldson Technical Institute in Port-of-Spain. In the sphere of Labour Relations, the Cipriani Labour College commenced operations, with the assistance of the International Labour Organisation, in the training of labour union organisers and employees. The Industrial Stabilisation Act, passed in 1966, sought to regulate industrial relations as well as to introduce an element of stability in the economic climate by preventing losses of output and disruption of activity through a virtual ban on strikes; and also sought to minimize the rate of wage increases by providing for judicial determination of wage and other dispute by reference to an Industrial Court. After prolonged protests and repeated expressions of dissatisfaction with the provisions of the Act by the Industrial Court itself the Act was finally repealed and replaced by the Industrial Relations Act 1972. Concerning developments in Trade and Commerce, the most significant was the establishment of the Caribbean Free Trade Area(CARIFTA) by the former British Colonies in the Caribbean and the proposal to work towards further Regional Integration by the early introduction of a Common External Tariff, the Harmonisation of Fiscal Incentives for Industrial Development, the evolution of a Regional Policy on Industrial Location and the Rationalisation of Agriculture. The regional policy therefore is seen as an important aspect of the policy for development, and was thus made the subject matter of the terms of reference of a special study group, the Caribbean Task Force, set up in 1971 to report to the Government in two years.

Physical Planning: Physical planning was made an integral part of the planning procedure with the enactment of the Town and Country Planning Ordinance, 1960, which brought into being the Town and Country Planning Division of the Ministry of Planning and Development.

Population, Manpower, Education and Youth, Housing: A Population Council has been set up to advise the Government on population policy, and relates with the Family Planning Association which with the assistance of Government operates a system of virtually free services in family-planning. The National Housing Authority which is the sole agency for public housing development, for financial assistance to low-cost private housing, and for administration of housing incentives by way of income-tax reliefs provided under the Housing Act, 1957, was formed from the amalgamation of the Public Housing Authority and the Government Housing Loans Board.

Youth and Education: Following the submission of a comprehensive Report on Education by a UNESCO Team of experts, the Government prepared a long-term Education Plan, of which the phases form part of the comprehensive

Five-Year Plan for the economy as a whole. The Education Plan pays particular attention to Secondary Education and Technical Training. The National Education Council was set up in 1970 as an integral part of the machinery for policy formulation and advice to Government in this crucial area. In the field of Higher Education, the St. Augustine Campus of the University of the West Indies was established within the compound previously occupied by the Imperial College of Tropical Agriculture which became the Faculty of Agriculture of the University. The Faculty of Engineering of the University was also initiated here with the assistance of the United Nations. In addition the campus includes a College of Arts and Science, a branch of the Institute of Education, the Institute of International Relations, and the Faculty of Social Sciences offering degrees in Economics, Management and Accounting. Noteworthy in the field of Youth Development and Training is the introduction of the Youth Camp idea which witnessed the establishment, within the period under review, of four youth camps - three in Trinidad and one in Tobago with an aggregate youth population of 800. With the recent increase in militancy of youth, in the incidence of drug abuse and demonstrations of disenchantment with the existing social order, a National Task Force on Youth was brought into being in 1971. In it a team of young people was appointed with broad terms of reference to probe the root causes of the problems of young people in the society and to suggest a method of approach to their solution. Perhaps also of special interest to youth, though of course not to the exclusion of others, is the vigorous programme for promotion of cultural expression which has been actively pursued over the last two plans, and in which the Prime Minister himself has taken a very lively interest demonstrably indicated by his donation of the Prime Minister's Trophy for supremacy in annual competitions in this sphere of development. To assist in this area the National Cultural Council was appointed in 1971, as also was a National Sports Council to promote development in all fields of Sports.

Such has been the rate and extent of creation of new institutions and organisations, as well as of legal and administrative mechanisms for execution of Government policy, that there now arises a serious problem of duplication of activity and consequent need for coordination of operations. Some of these problems will be dealt with in the final Chapter of this study.

CHAPTER V

PERFORMANCE OF THE ECONOMY UNDER ECONOMIC PLANNING

In this Chapter I propose to examine the character of the planning strategy, the statistics of resources mobilized and allocated during the period of the various Trinidad and Tobago plans, and the possible effects of public sector intervention on the behaviour of the economy. Of course, in the absence of a more careful and detailed econometric study, a mere superficial examination of the movements of major indicators for the economy, though useful, can hardly be conslusive. But we can proceed with our analysis of the available data only if we begin by assuming that the policies and activities of the public sector did in fact exert some influence on the behaviour of the economy, and that this influence is at least to some degree reflected in the available statistics. Indeed without some a priori notions about cause and effect pertaining to the relationships between the public sector and the economy at large, the mere discovery of a high degree of co-variation among these two sets of variables can never alone provide an adequate basis for judgements about causation.

1. The Nature of Planning and Resource Mobilisation and Allocation

In her very incisive study of French Planning Vera Lutz examines a variety of planning concepts which may be used to describe planned economies.[1] If I may be permitted the freedom of the crudest type of summary, she terms as 'soft', 'indicative' or 'flexible' planning that type of public sector intervention which seeks merely to project growth or suggest desirable objectives for the economy with the public and private sectors working towards these, with moral suasion and with the potency of market forces remaining unimpaired. Under this form of planning incentives are in order, but since the plan objectives are mere loose forecasts rather than rigid targets there is considerable flexibility both in terms of policy during the plan period and in terms of the importance of attainment of specific objectives, with the minimum of economic constraints.

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[1] Vera lutz, op. cit: Chapters III, VI, XIII, XIV, XV.

On the other hand 'imperative', 'directive' or'hard' planning envisages in its polar extreme form, the socialist type central direction of economic activity towards the attainment of specified targets, whether sectoral or aggregate, with liberal use of physical and other penalties and constraints, and the virtual abandonment of market forces. This terminology may be used to describe the strategy employed in the execution of any of three major types of plans: (a) an integral plan - an overall plan for the entire economy; (b) a partial plan - a plan intended to influence only specific aspects of production, consumption or distribution; and (c) a public sector plan - a programme fo objectives and ways and means for the sector controlled by the state.

Economic Planning in Trinidad and Tobago began during the 1940's decade with plans of category (c) above, i.e., programmes of activities for the public sector. The strategy employed in the execution of these early plans was of the soft, flexible, indicative variety rather than of the hard, directive or imperative type, or so it appears from the loose nature of the specifications in the plans published, and the sizeable discrepancies between objectives and attainments under the annual budgeted programmes as well as under the overall plans. In a sense these early plans were mere aggregations of Departmental hopes the possibilities for the achievement of which were never realistically evaluated beforehand in terms of the availability of physical resources or of manpower. There was little attempt at central coordination of the potentially competing demands for physical resources by the resource-using departments involved in the execution of the plan, neither could there be any penalties for failure to meet the targets set under the budgeted programmes, precisely because there were always legitimate and acceptable excuses for such failures. Worst of all, there appeared to be existent neither the machinery nor the willingness to undertake a formal periodic review of progress under any of the early plans with the aim of modifying targets or improving strategy where necessary, or for that matter even to curtail waste and fraud, except in those cases where these were scandalously flagrant. On such occasions the ad hoc device of the public inquiry appeared to be intended to serve more of a political purpose than to provide corrective action of a sustained nature. As a result several major capital-intensive projects were abandoned before completion after large sums had already been expended on them. The two most notable of these were perhaps the Caura Dam Project and the Caroni Irrigation Scheme, both of which were provided for in the 1946 - 1951 Plan.

The Moyne Report[2] had identified the problem of the West Indian Colonies as being the need to improve the general effeciency of their agriculture and to increase the emphasis on production for local consumption with less emphasis on export crops. The plans which emerged from its recommendations consequently sought to increase training facilities for extension officers and specialists, to improve research on crop and animal husbandry, and to improve the lot of some peasants by distribution of certain tracts of crown-lands. In addition these plans provided for improved social amenities and infrastructure etc, but their main thrust was to increase activities in the public sector. This was essentially state planning or public sector programming.

With the general concern about economic growth and transformation which emerged af ter the Second World War, planning gradually evolved with the introduction of various fiscal and other measures to become more and more 'partial' planning with state intervention deliberately aimed at changing the structure of production, income and consumption in the economy in addition to being a programme of action for the public sector. The period also witnessed limited increases in control and regulatory measures, the emergence of public sector involvement in many areas formerly reserved for the private sector, the enactment of a wide range of positive incentives - tax exemptions, subsidies and soft financing - for compliance with and negative incentives - taxes and absence of concessions - for departures from expressed public policy, a greater inclination on the part of the public sector to employ coercive rather than persuasive powers in influencing the allocation of resources (e.g. by use of import prohibition and price controls). In short, the planning strategy has also evolved to become less 'indicative' and more 'imperative' or 'directive'. Though market forces have not been altogether abandoned, the substantial inroads made against these through the establishment of institutions such as the Prices Commission, the Public Utilities Commission and the Industrial Court (for settling wage disputes) must leave the system operating with a substantial degree of distortion away from socalled 'free market' equilibrium.

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[2] Vide Supra, Ch. I, Notes 1 and 3.

Yet it is probably true that had there been potential business sector and mass resistance to Governmental intervention of a directive or imperative nature, there would have been much more of this type of intervention. For example, in the area of land-use planning, the Town and Country Planning Ordinance 1960, among other things, made provisions for the regulation of development and use of urban and rural land, but the provisions pertaining to this particular aspect of policy have not yet been proclaimed. Under the Education Act of 1966 it was proposed to initiate a system of inspection and certification of fitness of privately operated educational institutions so as to ensure their provision of certain minimum standards. Though the Act itself has been approved by Parliament these regulatory provisions have not in fact been put into effect.

In spite of the above observations, the planning strategy remains in essence 'indicative' or 'soft'. For instance, while exchange control measures have been tightened to the extent of the imposition in 1971 of a freeze on the level of commercial bank credit to foreign compaines operating in the country, no attempt was made to follow this up with measures to direct credit into specific areas of activity. The freeze was thus obviously aimed at assisting closure of the economy, leaving banks free to determine their investment policy within that framework, and not as a credit rationing device. The System of National Insurance initiated early in 1972 is expected to generate a flow of over $25 million T.T. per annum of investible resources in its earlier years, before substantial benefits become payable under the Scheme.[3] The Investment Committee of the National Insurance Board, established under Section 24 of the Act though subject to general directions by the Minister of Finance, has been given no directives as to how the resources mobilized under the scheme should be utilized except as provided for in a general way in the First Schedule to the Act. In the same way, the Second Schedule of the Insurance Act[4] provides only general directives regarding the allocation of the resources of the Statutory Funds created under that Act, though, together with the National Insurance System, these constitute two of the most powerful weapons available to the Government for directing the uses of investible resources in the economy.

In the area of Commercial Banking, though many developing countries have used the method of nationalization and various forms of rigid regulation to acquire control over this vital area of economic activity, the Trinidad and Tobago Gvoernment has employed a 'soft' approach towards policy in this sector. It has sought to obtain long-term domestic control of the sector by (a) stimulating the development of new indigenous institutions such as the wholly Government-owned National Commercial Bank and the Government-assisted Workers Bank; and (b) using moral suasion to persuade the branches of expatriate banking houses operating within the country to incorporate locally and facilitate local participation in their equity by issuing shares on the local market.

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[3] Trinidad and Tobago, Act No. 35 of 1971.

[4] Trinidad and Tobago, Act No. 24 of 1966.

Thus in the most crucial area of mobilisation and allocation of investible resources, the strategy employed is very far from being 'directive' and indeed can only be described as 'indicative' and 'soft'. It is certainly true that the failure of the Government to significantly increase tax rates in a situation of appreciable inflation such as has occurred over the last three years or so, when such increased taxation may have been an effective curb on inflationary pressures, and to rely instead on the impact which could be made by National Insurance Taxes and Local Borrowing in reducing the money supply, itself revealed a desire to apply a 'soft' rather than an 'imperative' policy strategy.

Finally, it is difficult to resist making the comment that the bureaucratic organization of the public sector as a whole and of the Planning Secretariat in particular is far too loose and disoriented to carry out effective directive planning. It is true that the Planning Secretariat is very powerful within the Governmental structure; but for reasons noted earlier[5] it is weak in trained personnel, appears to have neither the manpower nor to have developed any technique of effective coordination of Ministerial planning activities, and lacks competent technical support from certain vital elements in the whole planning mechanism, such as the Central Statistical Office which is itself plagued by a shortage of experienced senior personnel. If the goals and objectives of the various plans are to be regarded as realistically attainable targets, they will have to be demonstrated as being based less on mere financial programming, and considerably more on specific availabilities of physical resources and manpower both in the public and private sectors. much more will also have to be done by way of specification of potential sources and uses of supplies especially of raw materials, and of inducing the private sector to respond more positively to the fiscal and other inducements to expand in indicated directions than appears to have been the case in the past. Even if the vastly improved statistics needed for this kind of planning were available it is very doubtful that the planning machinery in the Secretariat could be geared for this in the near future.

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[5] Vide Supra, Chapter 4, Section I.

2. Resource Mobilisation and Allocation Under Planning

Having had an insight into the nature of the overall planning strategy employed in Trinidad and Tobago, we can now examine some of the available statistics about the economy to see how it responded to increased Governmental intervention during the past one or two decades. Before we attempt to develop any notions about the scope, depth and e effects of Government activity upon the Trinidad and Tobago economy, it is necessary to have some idea of the size of this economy, and of the total importance of the public sector in relation to other areas of activity.

A not too dramatic description of the size of the economy might characterise it as minuscule or microscopic. We have already noted in the Introduction that in area the country covers less than two thousand square miles. In terms of population, Table XIX shows that just over one million people inhabited the country in 1968, according to the available estimates. Referring more specifically to the size of the economy or to the level of economic activity, Table XVII gives the Gross Domestic Product at Factor Cost by Sectors from 1956 to 1970 and reveals that in 1970 the gross value of economic production stood at $1,716 million T.T. At the prevailing rate of exchange with the United States dollar, this was equivalent to $858 million (U.S.) - $2.00T.T. = $1.00 U.S; or to £357.5 million Sterling at the fixed rate of exchange of £1 Sterling = $4.80 T.T.

Table XXI reveals the possibilities for increasing impact of Government on the Trinidad and Tobago economy by relating the level of Government operations to the level of Gross Domestic Product. Here it becomes clear that while both current and capital expenditure increased very significantly over the period of 15 years, and perhaps phenomenally in the case of current expenditure, this did not amount to any dramatic change in relative impact of Government, and was rather consistent with and perhaps a concomitant of the rapid growth of Gross Domestic Product itself, which tripled in current values during the period. More importantly, it must be noted with emphasis that Capital Expenditure, which one would have expected to be one of the major instruments through which the impact of the public sector would be communicated to the economy, experienced a meteoric increase during the first quinquennium, but thereafter tended to fluctuate rather than provide any significant stimulus to economic growth until the last three years of the period. The net result of these contrasting pattern, of growth was that the ratio of aggregate Government Expenditure to G.D.P. rose dramatically from 15 to 21% between 1956 and 1959, and thereafter fluctuated between 19 and 22% throughout the other years.

It may be considered to reflect less than creditably on the Government that during a period when it was seeking to accelerate the pace of economic development through planning, its effort in terms of capital expenditure appeared to be waning in relation to the size of the G.D.P. In 1959 during the First Five Year Plan 1958 - 1962, the ratio of capital expenditure to G.D.P. was 7.7% after which it declined continuously to a low of 3.9% in 1967, a level provided for under the Second Plan 1964 - 1968. Even if we allow for the relatively large expenditures on social infrastructure under the First Plan (See Tables XIV, XV and XVA, amounting to nearly one third of planned expenditure during the years 1958 - 1962 compared with a share of 20% or less for the earlier years, and further concede that this would have produced serious repercussions on the recurrent budget for staffing and maintenance of service institutions, the resource mobilisation effort still appears to have weakened, since one would have expected that with rapidly rising income the burden of a given effort would become progressively lighter. More than this, with an appropriate degree of income elasticity of the revenue structure, it would be possible to generate automatically a rising share of Gross Domestic Product as recurrent revenue and there would be less urgent need to resort to ne revenue measures to mobilize the resources for development. We have already seen that when efforts were made to generate increased resources by using tax-reform and other 'hard' fiscal measures there arose serious conflict between the Government and the private sector leading to a virtual breakdown in communications,[6] and the abandonment of certain proposed measures, for example the Development Finance Company which was mooted and investigated as early as 1964 but did not come to fruition until 1970.

3. The Influential Role of the Petroleum Sector

One reason proffered by the Planning Authority itself for the weakness of the mobilization effort was the poor performance and prospects for the petroleum industry. Plagued with a situation of declining reserves, poor world market prices, and rising costs of production in the major producing fields in the country, the industry failed to maintain the kind of momentum which was considered vital to the buoyancy of expectations in the business climate among both local and international investors. More than this, the Planners had always seen the major task of planning as economic diversification away from dependence on petroleum, and financed largely from revenues generated from that source. The slow growth of the sector, therefore, which according to Table III was the slowest of all sectors and amounted to no more than 4.2% in current prices on the average between 1960 and 1968, not merely had a stultifying effect on Government Revenue and its ability to finance diversification, but also witnessed a relative decline in the contribution of the sector to Gross Domestic Product from over 30% in 1960 to 24% in 1968 (Table II) which was not indicative of significant progress in economic diversification. In fact, though petroleum remained at the end of the decade the largest single sector of the economy, which it was in 1960 (in terms of contribution to G.D.P.), there was continuing retrenchment of labour in this key sector throughout the decade, and the planners were forced to admit that in view of the poor prospects for the sector, the Second Five Year Plan had to project a slowing down in the rate of growth of economic activity for the economy as a whole; and in the Third Plan firm projections of output and employment were made virtually impossible as a result of the uncertainty in this sector.[7] Prospects in this industry are now substantially improved since the discovery of large reserves of oil and natural gas off the east-coast of Trinidad; and though output of curde petroleum continued its decline through 1971 from a level of 67 million barrels in 1968 to about 48 million barrels in 1971, it is expected that output will double within the next few years, with all that this implies for Government revenue and the potential availability of resources for financing public sector development expenditure.

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[6] Vide Supra, Chapter 4, Section 2.

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[7] See: (a) Draft Second Five Year Plan 1964 - 1968, Chapter VI, pp 72 - 77.
(b) Report on Tripartite Conference on Employment in Oil and Sugar, Sept., 1964
(c) Third Five Year Plan, 1969 - 1973, Ch. IV, p.3 especially and Ch. II.

[8] See: Budget Speech by the Hon. Minister of Finance, 1972: p.2

4. Major Sectors Influenced By Government

But though the Government Sector, strictly speaking, was barely able during the decade of the 1960's to keep pace with the growth of Gross Domestic Product, this sluggishness did not affect certain important areas of activity owned and/or controlled by Government, such as the Public Utilities. Growth rate in this sector during the period 1960 - 68 exceeded all other sectors (Table III), being 15.4% on the average, that is, nearly twice the rate of growth of the Government sector itself; and reflected the policy of Government enunciated in the First and Second Plans of preparing an adequate infrastructure and attractive investment climate within which private enterprise would flourish.[9] Tables XI and XIV show the extent to which capital expenditure under the three recent Five Year Plans was concentrated in the area of infrastructure. The proportion of resources allocated to Transport and Communication, Electricity, and Water and Sewerage together amounted to over 54% in the first two plans, and, reflecting the change in emphasis, fell to barely 40% of total planned spending in the Third Plan. The rapid growth of the Public Utilities Sector was clearly attributable therefore to the large spending by Government.

Interestingly enough, the two other sectors in which the scope and depth of Governmental intervention as part of its deliberate policy for stimulating development may have been most influential, experienced rates of growth which were the highest and lowest respectively in the private sector. These sectors, Agriculture with the minimum rate of 2%, and Manufacturing with the maximum rate of 11.8% as shown in Table III, received a tremendous amount of attention, though of very disparate kinds.

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[9] Vide Supra, Chapter 3, Note 24.

If the First Five Year Plan sought ot set a socioeconomic framework propitious for private investment by its emphasis on infrastructure, the later plans, which we have already noted, displayed a greater consciousness of the need for a higher degree of national self-reliance and economic independence, emphasised diversification of production with particular emphasis on agriculture. The main objective of this drive in agriculture was not merely to diversify output in a situation where commercial agriculture was largely aimed at producing export staples such as sugar, cocoa, coffee and citrus. The new areas of expansion sought to produce mainly foodcrops for the local market, and to develop a class of viable small farmers in an effort to stem the tide of internal migration from rural to urban areas. The capital expenditure under the plans rose from $4.8 million (TT) in the 1958 - 63 Plan (TableXI) to $49.5 million (TT) in the period 1964 - 68, and $61.5 million in the period 1969 - 73. In percentage terms capital spending rose from 2.2% of total plan-expenditure in the First Plan to 16.2% in both the Second and Third Plans. In scope the programme for agricultural development involved the use of local as well as foreign resources, e.g. from the International Bank for Reconstruction and Development, as well as the Inter-American Development Bank, and comprehended the reorganisation and expansion of the Agricultural Development Bank, the execution of large-scale farm projects on Crown Lands, the leasing of crown lands to farmers for agricultural purposes, the development of access roads to agricultural areas together with the provision of infrastructure facilities, the enactment of a system of special fiscal incentives including enhancement of subsidies in money and in kind.

Table III reveals that the increased Government attention paid to Agriculture under the plans was attended by a significant upturn in the rate of growth of the sector, the rate of grwoth being on the average 6.2% during 1964 - 68 compared with an average annual decline of 2% during 1960 - 64. The low overall growth for the 1960 - 68 period is not therefore truly reflective of the Governmental influence on this sector, and it is probably fair to conclude that decline in the value of output of this sector may well have continued had it not received the stimulus of sizeable investments under the last two plans.

Turning to Manufacturing, it is somewhat more difficult to assess the extent of the public sector contribution to growth in this sector precisely because the nature of the intervention in this sector was almost entirely indirect rather than direct as in the case of agriculture. Though some of the fiscal measures employed to protect local activity such as the negative list for import prohitition, and more recently the use of price controls for certain necessities, may be considered as coercive rather than indicative devices, the strategy employed was predominantly "soft". If we ignore the fact that to a substantial degree the heavy expenditure on development of the public utilities and infrastructure was directly intended to promote the growth of Manufacturing, the sums recorded as allocated to Industry and Tourism in Tables XI and XIV are hardly indicative of the true costs to Government of the efforts to promote activity in this sector. The $18.8 million for the First Plan, $8.1 million for the Second Plan, and $22.5 million for the Third Plan, represent the sums directly spent on industrial promotion mainly through the Industrial Development Corporation which was set up during the First Plan as the major instrument for effecting Government's policy for development of Manufacturing and Tourism. As such the IDC has responsibility for investment promotion at home and abroad, for development of industrial estates, for the construction of factory shells to be rented at relatively low rates to would-be industrialists, for the management of a industrial and hotel development loans fund, and in rare cases for the direct investment in the equity of proposed industrial enterprises, though more frequently for investment in hotel development projects. Many of these investment functions have now been assumed by the Development Finance Corporation which came into existence in 1970, but the Industrial Development Corporation still retains responsibility for promotion of and investment in small business through its Small Business Unit which operates as the executive arm of a Small Business Council established within the IDC.

Perhaps, however, the major part of the costs of industrial promotion consisted of the hidden expenditure involved in an elaborate and extremely generous system of fiscal and other incentives which were, and to some extent still are, regarded as the very core of the programme for expansion of manufacturing. It is difficult to estimate the extent to which these incentives contributed to the decisions to make such investments as were made during the period since the earliest incentive legislation with the aim of benefitting from its provisions. But it is equally rash to assume that in the absence of these effective subsidies none of the industries benefitting would have come into existence, and that ass the investments involved were thus made in response to the tax and other concessions, as most analyses by the Industrial Development Corporation have tended to infer. In fact Dudley Seers has asserted that particularly in the case of foreign investors dealing with the Governments of small underdeveloped countries, there is a definite inclination to make excessive demands for concessions from these Governments by holding out for larger concessions with the threat of taking their projects elsewhere, even when a decision has already been made to invest albeit unknown to the Government.[10] The Government, fearing that the threat would be carried out and conscious of the need to encourage investment to promote growth and employment, is then prepared to make the most generous offers of concessions totally regardless of revenue, equity and other important social and economic considerations.

In an earlier study which I carried out of this problem under the sponsorship of the Ministry of Finance and the Industrial Development Corporation, I made the assumption that for most industries which are in fact established under the programme of incentives, the decision to invest was dictated by natural resource, marketing or other purely economic considerations of a more enduring nature, and only marginally as a result of the attractiveness of incentives.[11] This view was substantiated by the results of an opinion survey of some 35 "pioneer" and"non-pioneer" industrial establishments carried out as part of the study, and which revealed that for a large number of investors the tax-holiday concession which was considered the pillar of the programme of incentives by the Government was less important than the duty exemptions on raw materials, machinery etc.[12] To obtain a rough estimate of the value of the hidden subsidies involved in the concessions I therefore proceeded to attempt a quantification of the tax foregone via the various concessions granted through reduction or exemption of tax, in addition to the costs of various other forms of assistance granted and services provided to industry through the Industrial Development Corporation. The attempt to estimate the costs in terms of income tax foregone was particularly difficult since no evidence of the profits of assisted industries was required when they were not liable to income tax. Since that time the requirements have been altered to make necessary the submission of returns by tax-exempt enterprises. The following Table presents a synopsis of the results of the investigations referred to above. The orders of magnitude are of course to be regarded as purely indicative approximations and not by any means as precise estimates.

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[10] Dudley Seers, "Big Companies and Small Countries", Kyklos, Vol. XVI, 1963, pp. 599 - 608.

[11] F. A. Francis, A Review and Analysis of the System of Incentives for Industrial Development in Trinidad and Tobago, U.W.I., St. Augustine, 1968: See especially Chapters IV, V and X.

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[12] Ibid, Chapter IX.

	Type of Concession or Assistance	Period Covered By Estimate	Cost in Revenue Foregone or Administrative Costs
1.	Customs Duty Remittances	1957 - 1964	$33.998 million
2.	Accelerated Depreciation Allowances	1954 - 1961 excluding 1956	$25.5 million
3.	Income-Tax Holiday on Companies only	1966 only	Well over $ 4.4 million
4.	Submarine Well Allowance (Oil Industry)	1966 Est.	$ 7.8 million
5.	Establishment of six Industrial Estates		$ 2.0 million
6.	Maintenance of Industrial Estates	1966 Est.	$ 0.070 million
7.	Costs of operation of the Industrial Development Corporation itself	1967	$ 0.855 million
8.	Estimated value of the implicit subsidy in loans made by the IDC to industrialists at less than market rate of interest.		Not available
9.	Estimated value of subsidy involved in low-cost factory shells rented by the IDC to industrialists.		Not available

5. Performance of the Economy Under Planning[13]

Gross Domestic Product by Sectors:

Looked at in current prices, the Trinidad and Tobago economy may be considered to have performed exceptionally well over the 15 - year period 1956 - 1970, though only moderately well over the decade of the 1960's. Table XVII reveals that whereas in current prices Gross Domestic Product at Factor Cost more than tripled over the 1956 - 70 period, the overall growth for 1960 - 68 was only 75% rising from $866 million in 1960 to $1,523 million in 1968 (Table I). This represented an average rate of growth of just over 7% per annum for the latter period (Table III), and was fairly steady though concealing very disparate rates of growth for the various sectors.

From what was said earlier it may be said that the overall mediocre performance of the economy in the 1960's resulted from the very poor growth record of the two leading sectors, agriculture and petroleum during that period. By implication, if there was even minimum respectability in that performance, this was due largely to the dynamic growth of Manufacturing and Public Utilities. The value of output in Manufacturing stood at $78.2 million in 1956 and represented just over 14% of G.D.P. (Tables XVII and XVIII). By the year 1970 it had nearly quintupled to $371 million, the share of G.D.P. being 21.6%. Though in part the growth in the share of Manufacturing in G.D.P. would have been a purely arithmetic phenomenon resulting from the relative stability ot the magnitudes for Agriculture and Petroleum, there can be no denial that this sector was making a very important contribution to economic diversification.

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[13] A good deal of the material for this section was adapted from my own contribution to a brief Economic Survey of Trinidad and Tobago, done jointly with other staff members of the Department of Economics, University of the West Indies, St. Augustine, and completed in February 1971.

But there were other sectors besides Public Utilities, Government and Manufacturing which made important contributions to growth and transformation during the 1960's. Wholesale and Retail Trade had an average rate of growth that was better than average and thus increased its contribution to G.D.P. from 13.5% to 14.5% between 1960 and 1968 (Table II). So also did the sector Other Activities which included Banking, Finance, Ownership of Houses etc whose share rose from 9.8% in 1960 to 11.9% in 1968.

The considerable disparities in the sectoral rates of growth have, as would be expected, resulted in very significant changes in the structure of production in the economy during the past decade. The failure of agriculture and petroleum meant not only tha t the economy became by the end of the period more dependent on Secondary and Tertiary activities, but also that in economic structure it resembled more and more an advanced economy, though with substantial weaknesses arising from a lack of real diversification. Though by 1970 the contribution of Primary activity to G.D.P. had fallen continuously to between 7% and 8%, there is a possibility, perhaps even a hope, that the resuscitation of agriculture which began in 1968 will be sustained at least with the likelihood of maintaining the level of its contribution to G.D.P. at between 8 and 9%. There is still very considerable room for expansion in Fishing, Vegetables, Meat and Dairy production; and as policy in the Third Plan is aimed at realising the full potential in these areas, the prospective growth should be maintained at a much higher rate than the 2% average for the decade. Such growth as might be expected should more than compensate for some relative decline in export agriculture which might well have been anticipated during the past decade and may be expected to continue in the 1970's.

Petroleum contributed nearly 34% of the value of G.D.P. in 1956 (Table XVIII), but by 1970 its contribution had fallen to just over 20%. We have already seen that this was due to declines both in prices and physical output. Though a substantial part of the contribution of the petroleum sector derives from refining of indigenous as well as imported crude, if we treat the aggregate contribution of Petroleum and Agriculture, Forestry, Fisheries and Quarrying as primary activity, then the share of primary production in total output, fell from 48.7% in 1956 to 28% in 1970. On the other hand, if Manufacturing and Construction are regarded as secondary activity, their share will be seen to have risen from just over 14% in 1956 to 21.6% in 1970. The tertiary sector, Services, also increased its share from 37.2% in 1956 to 50.4%.

However, unlike the relative decline of primary production which was partly the result of deficiencies in public sector policies towards Agriculture, and partly due to the fortuitous events on the world market for export products, in climatology and in the geology of the oil industry, the increasing shares of secondary and tertiary activity were in a very real way due to deliberate Government policy. We have noted the conception of development which was implicit in the First Plan 1958 - 1962, which laid emphasis on the installation of a system of infrastructure which would facilitate expansion of Manufacturing and other non-primary activities, and supported by an elaborate and generous programme of industrial incentives and devices for protection of the local market, which could not fail to elecit some response in the Manufacturing sector.

Comparable attempts to stimulate expansion in Agriculture came only in more recent years, and may thus be expected to bear fruit at a later stage if policy is sustained. The expanded share of secondary and tertiary activity in total output therefore was not purely a statistical phenomenon resulting from the sluggishness of primary production, but was largely due to a genuinely autonomous expansion within the sector under the aegis of Government intervention.

Prices, Population, Real Output and Per Capita Income:

When the performance of the Trinidad and Tobago economy during the 1960's decade is examined in real terms instead of in current prices, the rate of growth appears to be much less than creditable. No proper series of sectoral deflators for G.D.P. exist in the published Statistics and, therefore, the easiest way one has of obtaining a quick impression of the behaviour of real output is to use the All Items Index of Retail Prices (1960 = 100) to deflate aggregate G.D.P. This is done in Table IV, while in Table V the rates of annual increase of certain major indicators is presented.

It appears from Table IV that by 1968 the Index of Retail Prices had risen by 27.6% above the 1960 level. The rate of price increase was, however, nearly twice as fast on the average in the second half of the period (4.1%) as in the first half (2.2%), this being due in part to the effects of the devaluation of Sterling in November 1967 which forced prices up by over 8% in 1968 alone. The peculiar effect of devaluation may have contributed some 5 - 6% of this increase, the remainder being the normal price increase which might have been expected during that year. The year 1966 also witnessed an extraordinarily high rate of price increase of 4.6%, and it is possible that this may have resulted from the shifting forward of the anticipated effects of the changes in structure of the tax on companies which were introduced about that time. The annual average rate of price increase during the 1960 - 68 period was 3.1%.

The population of Trinidad and Tobago rose by over 21% from 841,000 in 1960 to 1,021,000 in 1968 (midyear estimates - Table IV). The rate of increase was as high as 4.3% from 1960 to 1961 most probably owing to influxes of immigrants and public servants as a result of the establishment of the West Indies Federal Capital in this country in 1958. But the rate of increase fell to what may be considered to be normal levels after 1961, fluctuating between a high of 2.5% in 1964 and a low of 1.1% in 1968. Interestingly enough, the rate of increase has declined continuously since 1964, and this should indicate the establishment of a new trend for the population resulting not only from some continued emigration in recent years, but also from the initial effects of the widespread introduction of facilities for family planning under the Population Planning Programme. The average annual rate of population increase was 2.5% over the nine years, but was 3.1% for the first half of the period, and only 1.8% for the second.

The effect of the 27.6% price increase which occurred between 1960 and 1968 was to whittle down the real value of the overall increase in Gross Domestic Product which was as high as 75.9% in current prices, to a mediocre 40.4% increase in contant prices by 1967, with an actual decline of G.D.P. in real terms in 1968 as a result of the inflationary effects of the devaluation. Further, while the growth rate in current prices was an attractive 7.3% per annum, this rate fel, to as low as 4.1% when allowance was made for price increases.

The relatively high average rate of population increase during the 1960 -68 period, as with price increases, also operated to obviate what might otherwise have been a significant increase in per capita output. As it was, per capita output (at factor cost) rose by only 45% in current prices compared with the nearly 76% rise in aggregate G.D.P.; and in real terms (1960 prices) the per capita growth was little more than 13% in 1968 over 1960, though the 1967 level was in fact 17% over the 1960 level. As was noted above, the effect of devaluation was to actually reduct the per capita income in 1968 to below the 1967 level.

The joint effects of population growth and price increases during the period produced a rate of growth of real per capita G.D.P.

of 1.6% per annum, this rate being somewhat higher (1.9%) from 1960 to 1964 than from 1964 to 1968 (1.4%),(Tbale V). Considering the rising levels of expectation and the obviously strong influence of the demonstration effects of higher levels of living attained in more advanced countries, the Trinidad and Tobago population remained still frustrated in its efforts to attain such higher living standards during the decade of the 1960's. Obviously, significant changes in the structure of production did take place during the period, but the fact that this was partly due to the failure of output im leading sectors such as Petroleum and Agriculture, meant that these two sectors made little or no contribution to the growth of per capita output. Of course, it is quite possible and perhaps very likely that prices in both the Agriculture and Petroleum sectors were not as dynamic as in others such as Manufacturing, where prices are understood to have risen on the average faster than elsewhere. This would mean that the degree of structural change which was noted in current prices in Table II was noticeably less, and that the rate of growth of Manufacturing by comparison with other sectors was not so astoundingly high.

Consumption and Investment Expenditure:

Perhaps the most important index of the high and rising level of expectations of the Trinidad and Tobago population is the extremely dynamic behaviour of Consumption expenditure which rose by some 82% between 1960 and 1968 from $643 million to $1,168 million (Table VI). This increase exceeded the growth of G.D.P. itself, and thus at the end of the decade a largerr share of aggregate output was being devoted to Consumption, that share having risen from 69% in 1960 to 77.5% in 1968 (Table VIII). The rapid growth of Aggregate Consumption expenditure at an average rate of 7,8% per annum (Table VIII) was largely due to the stimulus of a very considerable increase in public sector consumption expenditure, which more than doubled with a growth rate of 9.7% per annum. In part this was no doubt attributable to the effect of the relatively high level of social services expenditure undertaken in the First Five Year Development Plan 1958 - 63, which sought to improve the level of social infrastructure, particularly in Education and Health, and which generated sizeable commitments for future expenditure on operation and maintenance. In part also the relative growth of public sector consumption arose from the broadening of the areas of involvement of Government in the economy with a concomitant increase in the personnel of the various Ministries and Departments. It was no doubt also attributable to some attempt on the part of the Government to absorb some of the slack created by the sluggishness of other sectors in absorbing new entrants to the labour force.

By implication, the share of Investment in total expenditure declined pari passu with the relative increase in the share of Consumption. Further, while the growth of Consumption was consistently positive, Investment followed a vigorously fluctuating path throughout the period, attaining in 1968 a level not more than 19% above that in 1960. The actual quantum for 1960 was $286 million, while the level in 1968 was $340 million. The average annual growth rate for Investment was a mere

2.8% whereas that for Consumption was nearly 8%, and the rate for public sector consumption, over 9% (Table VIII).

Interestingly enough, public sector investment also grew more rapidly than private sector investment - 5.2% as opposed to 3.4%, and was not merely more stable than private investment, but was perhaps deliberately used as a stabilizing influence in the economy by being varied inversely with private investment, at least in the earlier years of the decade. Thus in 1961 when private investment declined, public sector capital formation increased and this pattern was repeated in 1963 and 1964, while the fantastic upswing in private investment of over 27% in 1965 was accompanied by a downswing in public investment of nearly 7% in that year. The effectiveness of public sector investment, either as a stabilizing force in the economy or as a key sector in generating growth, may at best have been only moderate, however, since its share of total investment has never exceeded 26%. This peak level was attained in 1964, presumably resulting from the combined effect of normal developmental expenditure plus reconstruction spending in Tobago after the devastation of hurricane Flora. Since that time public sector investment has stabilized at between 18 and 20% of total investment. Similarly, public sector consumption, though by no means insignificant, can hardly be considered to be the prime mover of total demand since its share of the total has fluctuated between a low of 13.7% in 1960 and a high of 16.8% in 1966 and 1967.

6. The Balance of Payments Position

The following table summarises the contents of Table XVI of

BALANCE OF PAYMENTS OF TRINIDAD AND TOBAGO, 1951 - 1967 ($TT million)

Year	Exports of Goods (1)	Imports of Goods and Services (2)	Balance of Visible Trade (3)	Exports of Goods, Services and Transfers (4)	Imports of Goods, Services and Transfers (5)	Net Balance on All Accounts (6)	Change Due to Invisible Account (7)
1951	181.8	201.0	- 19.2	251.4	274.7	- 23.3	- 4.1
52	190.8	224.1	- 33.3	269.1	292.8	- 23.7	+ 9.6
53	218.4	212.8	5.6	299.0	304.8	- 5.8	-11.4
54	228.3	223.7	4.6	306.5	318.1	- 11.6	-16.2
55	252.3	267.9	- 15.6	332.6	371.8	- 39.2	-23.6
56	288.9	300.7	- 11.8	386.8	416.8	- 30.0	-18.2
57	327.8	355.0	- 27.2	462.1	521.3	- 59.2	-32.0
58	368.6	411.6	- 43.0	503.9	556.7	- 52.8	- 9.8
59	390.3	447.0	- 56.7	533.2	622.9	- 89.7	-33.0
1960	437.3	502.1	- 64.8	574.2	662.0	- 87.8	-23.0
61	553.6	584.0	- 30.4	707.8	780.1	- 72.3	-41.9
62	559.9	606.2	- 46.3	709.0	806.1	- 97.1	-50.8
63	595.0	644.0	- 49.0	734.1	836.5	-102.4	-53.4
64	693.4	731.0	- 37.6	845.0	928.9	- 83.9	-46.3
65	710.5	816.9	-106.4	878.8	996.7	-117.9	-11.5
66	752.7	772.6	- 19.9	917.6	965.9	- 48.3	-28.4
67	750.2	710.1	40.1	897.2	937.2	- 40.0	-80.1

SOURCE: Table XVI.

the Statistical Appendix for ease of reference and to facilitate analysis. It is clear from the available date, though in general the statistics on balance-of-payments leave much to be desired, that for nearly all of the last two decades Trinidad and Tobago has experienced an adverse balance both on visible trade account and especially on the overall balance-of-payments account. From one point of view, the figures showing the Balance of Visible Trade are deceptive since for exports they represent f.o.b. values whereas for Imports of Goods and Services they represent c.i.f. values. We are therefore not comparing like data, and the payments position on balance may be more favourable if the costs of insurance and freight were included with exports. On the other hand, since our interest in the study of this data is to be enlightened on the international payments position of the country in so far as this reflects whether it is a net earner or loser of foreign exchange, the figures as presented are more useful since Trinidad and Tobago, as a developing country, will not in general be the recipient of the charges for insurance and freight paid on exports. The total earnings of the country will in fact be the f.o.b. value of exports whereas its payments to other countries in respect of imports will in fact include cost, insurance and freight.

The figures in columns (6) and (7) reflect the unchanging position of Trinidad and Tobago as an importer of servoces. With one exception in the case of the year 1952, the balance-of-payments position for each of the 17 years deteriorated whenever payments on invisible transactions were brought to reckoning. It is also significant that the magnitude of the deterioration which took place during the first half of the period 1951 - 1959 was on the average less than that taking place in the later years 1960 - 1967. The supposed extent of the deficit on invisible account is computed in column (7) as the difference between the balance of visible trade and the overall balance on all accounts. As would be expected a very significant part of these payments were made by Trinidad and Tobago to other countries for services such as transportation, foreign travel and insurance. But by far the majority of it constituted remittances of profits and other returns on direct foreign capital investments which greq at a phenomenal rate during the period and was largely responsible for the rapid expansion in Manufacturing referred to earlier. In Appendix Tabel XVI profits earned by direct investments and paid by Trinidad and Tobago are shown as rising from $28.2 million in 1951 to $123.6 million in 1967. While such a magnitude of outflow of current earnings can be sustained as long as capital imports continue, and as long as production and prices in the Petroleum sector remain buoyant, the situation obviously contains the germ of inherent instability in balance-of-payments, in that these forms of international payments are not necessarily closely related to the current level of caiptal inflows, and may even compete with imports for scarce exchange earnings. In the first place, the level of current outflow of profits is really the result of the accumulated inflow of direct investments in past years. Secondly, while the level of prices and earnings on exports help to determine the state of the economy and therefore the level of profits, imports are less closely related to profits and rather reflect the level of economic activity geared towards the domestic market; and movements of the latter may lag considerably behind fluctuations in exports.

With the new emphasis at Governmental level on increasing the degree of national ownership and control over the economy, this policy making itself evident by way of greater willingness on the part of Government to invest in all forms of economic activity and by way of Government's insistence on joint-ventures between local and foreign capital in certain areas of activity, one may anticipate a deceleration in the growth of investment income remitted abroad during the next decade. Hopefully, this would be achieved without excessive sacrifice of growth and diversification potential.

CHAPTER VI

A CRITIQUE OF PLANNING STRATEGY IN TRINIDAD AND TOBAGO

It is beyond the scope of this final Chapter to carry out a comprehensive analysis of all aspects of planning in Trinidad and Tobago. Such an exercise would certainly have a place in a more ambitious study, and would no doubt take as its point of departure a review of the structure of the governmental machinery, and the location of authority and established procedure for arriving at various kinds of governmental decisions. But this critique of planning strategy has the modest objective of identifying certain of the more glaring defects in the techniques of plan formulation and execution, showing to what extent these defects tend to detract from the effectiveness of planning and are inconsistent with the expressed objectives of the planning exercise, and suggesting a few directions of change to achieve greater effectiveness in the future.

Deficiencies in the Mechanism and Procedures for Planning

In Chapter 4 I examined in some detail the procedures and mechanisms adopted for the preparation and execution of the three most recent 5-Year Plans. Though the description given there was not adequate to permit one to discern with clarity the areas in which there are serious administrative deficiencies, a minimum of familiarity with the situation which exists enables one to point out some of the more obvious factors contributing to reduced operational effectiveness of the planning process.

Perhaps the most obvious question which must be asked concerning the effectiveness of the planning machinery derives from what appears to be an excessive bureaucratisation of the Governmental machinery, the ostensible decentralisation of official responsibility and decision-making authority, and the consequent multiplication of executing agencies for even relatively simple projects under the plan. I say 'ostensible decentralisation' because de facto there is an extreme concentration of governmental authority in the Cabinet under the Prime Minister, with the numerous Ministries performing the role of channels through which matters within their respective portfolios are communicated to the Cabinet. There is obviously no a priori yardstick by which one can determine the appropriate degree of bureaucratic complexity which should be employed in any particular set of circumstances. For an economy as small as that of Trinidad and Tobago however, precisely where one hopes to derive certain advantages such as increased rapidity of decision-making, more efficient and effective coordination of governmental activities, and greater harmony among executing agencies in the exercise of their functions than one would expect to find in the larger underdeveloped economies where planning problems are magnified, it does seem likely that the use of an unnecessarily large bureaucracy involves a surrender of some of these worthwhile administrative advantages. A recently published example provides ample evidence of the sort of wastage which can result from lack of coordination among autonomous agencies. The National Housing Authority accepted delivery of a completed batch of low-cost housing units which remained unoccupied and could not be allocated to would-be residents for close upon one year because the sewer connections had not been effected by the Water and Sewerage Authority. It is true that in essence all the problems of government which can be envisaged as rising within the large state are also likely to occur in the ministate, but it is a moot question whether proper management of the affairs of the public sector of a mini-state necessarily requires no less than seventeen separate ministries of which no less than fourteen are involved in the formulation and execution of the development plans. In addition, there are some nine semi-autonomous public authorities which may also be considered as being involved in an important way in the process of development planning. The fourteen Ministries involved are as follows:

1. Ministry of the Prime Minister
2. Ministry of Agriculture, Lands and Fisheries
3. Ministry of Education and Culture
4. Ministry of Finance
5. Ministry of Health
6. Ministry of Housing
7. Ministry of Industry and Commerce
8. Ministry of Labour, Social Security and Cooperatives
9. Ministry of Local Government
10. Ministry of Petroleum and Mines
11. Ministry of Planning and Development
12. Ministry of Public Utilities
13. Ministry of Tobago Affairs
14. Ministry of Works

The Ministries not included in the above list are External Affairs, West Indian Affairs and National Security. The semi-autonomous public authorities referred to include:

1. Chaguaramas Development Authority
2. Industrial Development Corporation
3. National Housing Authority
4. Port Authority
5. Public Transport Service Corporation
6. Trinidad and Tobago Tourist Board
7. Trinidad and Tobago Electircity Commission
8. Trinidad and Tobago Telephone Company
9. Water and Sewerage Authority.

To the extent that it is considered politic to retain the bureaucratic organisation with its existing degree of complexity, the Ministry of Planning and Development must consider itself as having a mandate to secure the cooperation and collaboration of the supporting services for all projects under the plan, with the power to commandeer services if necessary, and the staff to carry out continuous project supervision and reporting and for maintaining inter-agency contacts, Interestingly enough, this was one of the specific duties which the National Planning Commission was expected to perform when it was set up under the Second Five Year Plan (1964 - 1968).[1] It was also mandated to "undertake on a continuing basis the evaluation of the economic and social progress of the country."[2] Unfortunately, as was noted in Chapter 4 above, there has been a very considerable attrition of the experienced staff of the Planning Division in the attempt to strengthen the complement of technical expertise in other Ministries and Departments, and of course in order to allow the members of the Planning Division to benefit from opportunities for promotion elsewhere within the Public Service. The result has been that the Planning Division has found it necessary to restrict its activities to the crucial function of the annual programming of development activities to the neglect of the more esoteric functions such as periodic review of the progress of the Plan and of the economy, reexamination of the social and economic objectives and of the efficacy of the Plan in attainment of these, or for that matter, even the introduction of a proper system of controls and supervision of projects to ensure efficiency in the use of available resources.

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[1] Vide Supra, Chapter 4, p. 66.

[2] Ibid.

The attrition of the experienced staff of the Planning Secretariat has not resulted merely in the inability of the Department to carry out efficiently its full range of functions; We noted that this evolution also led to an upgrading of the quality of staff, status and functions of the sectoral planning units of the various ministries.[3] But by the same token it has meant that it has not been possible for the Planning Secretariat itself to develop any substantial expertise, any accumulation of knowledge and experience within the Organisation. This may be an affliction from which the Public Service of most developing countries suffers, but because the planning function is of a highly specialised and technical nature, there is a dire need to provide career opportunities in this field. The Planning Secretariat in Trinidad and Tobago cannot be considered at present to possess any pool of expertise in any particular area of planning in spite of nearly two decades of experience in formal planning for economic development. Even the problem of formal planning for manpower development has only recently begun to receive any serious attention, though there has been a substantial programme of Government assistance and training in the field of Higher Education for over a decade. The fact if that the training programme has been based largely on hunches about scarcities and manpower requirements for the future, and only recently was there initiated any attempt to study the possible future requirements for trained manpower in the economy.

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[3] Vide Supra, Chapter 4, p. 68.

Of course, manpower planning is only one aspect of physical planning, and the same tardiness which attended the introduction of the manpower planning programme was also characteristic of other aspects of physical planning - urban and rural development, regional development, land capability and land use, or for that matter even the physical resource requirements for execution of the various plans. One interesting aspect of this failure to do any programming of resource requirements was that while several of the persons interviewed from among the staff of the Planning Secretariat during the 1960's ventured the opinion that even with maximum effort it did not seem possible to spend in excess of $60 million (TT) per annum, the reasons for this limit on absorptive capacity of the economy could not be specified: was it due to problems of supervision and management, inadequacy of skills or limits on the availability of resource inputs and other capital goods?

From one point of view, therefore, there is a certain danger in excessive decentralisation of the planning function in that it can lead to a diffusion of scarce expertise, which may reduce the efficiency of use of technically trained manpower, as well as affect the efficiency of the central planning organisation and its ability to coordinate planning efforts.

There is perhaps another way in which the impoverishment of the pool of expertise of the Planning Secretariat in Trinidad and Tobago has seriously affected its operations. Because the responsibility for preparation of the Plan itself as a document rested largely upon the shoulders of the former Director, Mr. William Demas, his departure on secondment as Secretary-General of the Caribbean Free Trade Association located in Guyana has created within the planning organisation a tremendous vacuum which may well adversely affect the preparation of the Fourth Plan which should be in process of preparation at this time. The reason is that with the continuous turnover of planning personnel, it has apparently not been possible to develop a technique of preparation of the plans, or to inculcate an ideology which would be given expression in the plan, so as to provide the underpinnings of the programme to be outlined for the next plan period.

Recalling again the discussion of Chapter 4, it was observed that the elaborate machinery which had been established for the Second Plan had floundered by the time the Third Plan was being prepared.[4] The most obvious comment that can be made about the structure established for the Second Plan is that it seemed unnecessarily elaborate and cumbersome, and could not have been expected to survive in a society with little or no tradition of participation and involvement. The tripartite principle - Government, Business and Labour - is now well established as a method of approach to discussion of matters of public policy, but in order to insure the survival of the tripartite body, it may be necessary simply to make appointments to it for a fixed term from nominations made by representative groups, rather than design a structure which leaves the tripartite body dependent for its viability on the continuity and acceptance of the supporting groups and/or institutions. The impression of instability in the structure of the planning machinery which derives from the need to abandon the more elaborate form employed for the Second Plan, may well be avoided if a simpler structure is adopted.

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[4] Vide Supra, Chapter 4, p. 68.

The above suggestion holds good even though the country is at present witnessing a new era of political awareness in which the public has been clamouring for radical economic and social reforms, and for a greater degree of involvement in the determination of public policy. The consciousness of real involvement would probably be better secured if there is relatively simple machinery for contact with the highest levels of Government - for example through Subcommittees of Parliament and Cabinet - than if the devices employed are relatively remote from the major policy-making institutions. For example, though the Government has sought to involve the public in major areas of policy such as those referred to in Sections 2 and 3 of Chapter 4, no attempt has as yet been made to use the principle of public involvement in the planning process or in the search for an ideology which would provide a framework for the Fourth Plan.

In fact the absence of an expressed ideology of the Government itself is a hindrance to effective planning. It deprives the planners of a rationale, a basis for justification of their strategy for the future, and makes it virtually impossible to relate the programme of development projects to any specific objectives of the society. Thereby it also frustrates meaningful evaluation of the progress made under each plan towards the social objectives. From the point of view of the Government this absence of an expressed ideology allows it total flexibility in responding to conflicting pressures, and helps insure its survival.

2. The Breakdown of Communication

Planning strategy in Trinidad and Tobago also suffers because of a virtual breakdown of communications between the Government and radical groups in the country. This situation was perhaps not so critical until the general election of 1971 which witnessed the total elimination of all formal representation of opposition groups from Parliament, both as a result of refusal of some more radical groups to contest the elections, and because of failure of those contesting to secure places in the House. Heretofore, the existence of a formal opposition in Parliament at least guaranteed the possibility of some scrutiny and criticism of official policy and thereby provided an avenue of influence by opposition groups. It had been a complaint of the Opposition, however, even when there was one in Parliament, that the Government by virtue of its assured majority in the House (two-thirds) could afford to be irresponsive to even worthwhile criticisms, and that opposition served no useful purpose. Moreover, the Opposition, within as well as outside of Parliament, felt that the electoral machinery in use was suspect, and that it could not contest an election on those terms. The elimination of the opposition could not therefore even in Governmental circles be regarded as a clear demonstration of widespread support for the party in power, but rather as a failure of the machinery of government. in the final analysis this is perhaps precisely how the opposition hoped the crisis would be ragarded though perhaps a more dramatic response to the crisis was also anticipated. As it ensued, the Government's technique of handling the crisis was to appoint an independent Constitution Reform Commission to examine the need for innovations in the machinery of government including the electoral process, and to make recommendations.

In the meantime, it is not only true to say that there is inadequate exposure of the Government to opposing viewpoints at the level of Parliament, but there are no formal or informal avenues of communication between the Government and radical elements in the society, except as provided for through institutional mechanisms set up in specific areas of interest referred to earlier.[5] This does not mean that the Government has been irresponsive to radical pressures. Since the crisis of 1970 there has been a marked increase in the awareness and sensitivity of Government to public criticism and the views of radical groups, though of course it might be argued within Government circles that this apparent new awareness was implied in and consistent with the nationalist objectives of the Third Five Year Plan 1969 - 1973, which chronologically preceded the 1970 crisis. It is probably more true to say that the 1970 crisis was a source of strength and support to the Government in implementing the more fundamental policies of the plan, and that the new political pressures forced the Government even further than it had been prepared to commit itself in the firection of national autonomy and concern for a restructuring of the society.

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[5] Mention was made in Chapter 4 of the Education Conference, the National Consultation on Prices, the National Sports Council, the Constitution Commission, the National Cultural Council, the National Task Force on Youth, and the Caribbean Task Force of which the author is Chairman.

Certainly there was a very considerable acceleration in the rate of introduction of radical and fundamental policy measures, an acceleration which can only be explained as a frantic effort to take the wind out of radical sails. Of such a nature for instance were the public statements made by the Prime Minister following the crisis, including forthright comments about relations between races in the society; the establishment of what was referred to as the People's Sector of the economy; the setting up of a Small Business Unit within the Industrial Development Corporation with a mandate to act with the greatest rapidity in giving financial support to small businesses; the establishment of the National Commercial Bank and the National Petroleum Company responsible for marketing of petroleum products locally; the take-over of several companies in areas such as meat-processing, flour-milling, printing and packaging etc; the resumption of total ownership of the Trinidad and Tobago Telephone Service; the take-over of controlling interest in Caroni Sugar Estate from Tate and Lyle; the take-over of the operations of British Petroleum to form Trinidad Tesoro, an oil-producing company; the application of pressure on the local branches of foreign commercial banks to localise ownership and control; the introduction of an Unemployment Levy of 5% on taxable incomes in excess of $10,000; and the consideration of the establishment of a national shipping line. In the face of opposition and continuous criticism from the business community on the matter of take-over of businesses the Government recently found it necessary to publish a White Paper in which it sought to justify its new policy.[6]

The Government cannot really expect to be all things to all people, but on the other hand, to attempt unilaterally to interpret and give expression to the wishes of opposition and radical groups without preserving such forms and mechanisms as will facilitate the continuation of dialogue on all aspects of policy can only entrench opposition and encourage a resort to protest and violent conflict, such as has emerged within recent times. The planning process is particularly amenable to public involvement in the form of dialogue; and there is already adequate precedent for this in the National Conference on the Draft Second Five Year Plan. It may even be desirable to secure such involvement in the preparatory stages of the Draft itself.

3. Regional Integration and Development Planning

In Chapter 2 I dealt at great length with the political struggle for constitutional advancement and escape from colonial status which were seen as holding the key to the solution of the economic problems of the country. Colonialism was abhorrent both because it represented in some ill-defined way the unreasonable exploitation of the territorial resources for the benefit and enrichment of the metropolitan power, but also because it represented the denial to the colonized peoples of the right to determine their own destinies and control the use of their own resources. But partly because Colonialism meant the denial of self-determination there was perhaps a tendency, perhaps even a lack of awareness among colonial political leaders of the true nature and real magnitude of the development problem. One got the impression from the speeches and writings that the attainment of Independence from the Metropolitan Power was seen as constituting the core of the solution to the development problem, with relatively little emphasis being placed on the task of planning which lay ahead. The essence of the solution to the development problem was thus seen to be political and not economic.

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[6] Government of Trinidad and Tobago, "White Paper on Public Participation in Industrial and Commercial Activities," Government Printery, Trinidad and Tobago, 1972.

This attitude is of tremendous significance to an understanding of the present situation among Commonwealth Caribbean Territories.[7] It explains in part why there was a certain degree of apathy, a lukewarmness, towards the Federation which was born in 1958 only to die an untimely death in 1962, as both Jamaica and Trinidad/Tobago, given the choice of becoming independent states, embraced that status with the greatest ardour. To have remained in the Federation would not merely have prolonged the colonial relationship with the United Kingdom for at least a few more years, but even with full independence of the Federation

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7. The name given to present and former British Colonies in the Caribbean Region.

8. The West Indies Federation inaugurated in 1958 included the colonies of Jamaica, Trinidad and Tobago, Barbados, Grenada, St. Vincent, St. Lucia, Dominica, Antigua, St. Kitts-Nevis-Anguilla and Montserrat.

itself, would have required a considerable surrender of sovereignty by the government of the unit territory to the Federal Government. Economic issues appeared to have played little part in shaping the thinking on the need for a Federation of these micro-economies, and though an attempt was made to present an economic rationale by the Trinidad and Tobago Government in its Economics of Nationhood, this document seems to have been received with coolness and indifference.[9]

Having achieved independence, however, it was not long before there began to be a painful awareness of the constraints which the small size of these Caribbean economies imposed on the potential for economic development. The issue of "size and survival" became a live subject of debate in both academic and political cirdles, and was aired in great detail in a work published by William Demas, then head of the Planning Secretariat of Trinidad and Tobago, now Secretary-General of the Commonwealth Caribbean Regional Secretariat in Georgetown, Guyana.[10] The result of the "size and survival" debate was the emergence of a new fervour for integration among Commonwealth Caribbean Countries with emphasis on economic considerations. A strong movement for economic cooperation took shape as a mechanism for increasing the potential for economic development of the several territories and of the region as a whole, and gave birth to the Caribbean Free Trade Association in 1968.[11] But though the Free Trade Area was initiated covering a restricted list of items, its emergence was supported by a tremendous amount of goodwill and a profound desire for a deepening of the relationship to produce an economic community of Caribbean Territories. The steps in the process of deepening the relationship sere set out in Resolution 10 Adopted by the Fourth Heads of Governments Conference on Regional Integration(1967)[12] which requested that studies be undertaken of the problems involved in the introduction of a Common External Tariff, a policy on location of regional industries, a regional policy on incentives to industry, marketing agreements for an agreed list of agricultural commodities, a policy of designating special industries for location in the less-developed countries, a policy for maintenance and improvement of regional carriers, and rationalisation of freight rates. Several other areas of cooperation and integration are either under discussion or have been implemented. These include the Caribbean Examinations Council (already introduced), the Caribbean Court of Appeal (being discussed), the rationalisation of agriculture (being discussed), a common foreign policy (being implemented), and the establishment of a multi-national investment company to do direct investment in the less-developed territories in addition to indirect investment by the Caribbean Development Bank which was inaugurated in 1968. Firm decisions to proceed in several of these areas of interest were taken at the Seventh Heads of Governments Conference held in October 1972 in Port-of-Spain, Trinidad and Tobago. Economic integration then is seen as an important instrument in the planned strategy for development of Caribbean countries.

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[9] Government of Trinidad and Tobago, The Economics of Nationhood, Government Printing Office, Port-of-Spain, 1959.

[10] William Demas, The Economics of Development in Small Countries With Special Reference to the Caribbean, McGill University Press, Montreal, 1965.

[11] Agreement Establishing the Caribbean Free Trade Association,1968.

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[12] Annex A of the Caribbean Free Trade Association Agreement, Consolidated Text.

4. New Horizons in Planning in Trinidad and Tobago

In concluding this study of the state of development planning in Trinidad and Tobago, I would like to comment briefly on two new developments in the planning process which have recently made their appearance, and which augur well for the future of planning. The first concerns a matter of plan strategy, the growth of interest in Regional Planning, and the second is a potential procedural development, specifically, the possible wider involvement of the technical staff of the Planning Secretariat at large in the evolution of an ideology and the process of formulation of the Plan.

With respect to Regional Planning there is observable an increasing emphasis on the preparation of comprehensive physical development plans evoering specific areas of the country and placed under the surveillance of separate autonomous regional authorities. Such for example is the Urban Redevelopment Council for the area east of Port-of-Spain, the capital city; also the Chaguaramas Development Authority for the North West Peninsula of the country. Regional plans have also been mooted for a special area in the south under the title of the Erin Project and the Eastern Counties. The Island of Tobago has also been the subject of a separate regional plan resulting from its devastation by Hurricane Flora in 1963.

Turning to the meaningful involvement of the staff of the Secretariat in the development of a planning ideology and in the process of formulation of the plan, it might appear on the one hand that this emerges from some new consciousness of the need for wider participation in the process of decision-making within the machinery of Government and is consistent with the efforts of Government to involve the public at large in policy formulation. On the other hand it was noted earlier that the demise of the former head of the Secretariat produced a considerable gap in the planning organization which it would prove difficult to fill because so much of the responsibility for the process of plan formulation rested personally with him. The attempt to secure wider involvement may thus be seen as part of a frantic search for a new and workable methodology which would ensure that the process of presentation of the plan document would be on schedule. Though the initial efforts to develop the new technique have not met with success so far, and though the series of projected internal seminars on the role of the Planning Secretariat, Plan Administration, Implementation and Evaluation, and on a Development Strategy for the next plan period was terminated not long after its commencement, there is hope that the Secretariat will see fit to resuscitate this device and develop it into a source of strength in the machinery for development planning.

Table I GDP at Factor Cost by Industrial Origin ($ mill. T.T. Current)

	1960	1961	1962	1963	1964	1965	1966	1967	1968[*]
Agriculture, Forestry, Fishing and Quarrying	108.4	112.5	108.3	113.0	100.0	105.0	107.0	112.0	127.0
Petroleum Mining, Asphalt & Gas	263.4	286.3	291.5	297.0	301.0	284.0	314.0	364.0	366.0
Manufacturing	108.2	119.5	132.1	157.0	176.0	179.0	226.0[♦]	243.0[♦]	260.0
Government	82.5	93.1	100.5	104.0	115.0	119.0	132.0	150.0	162.0
Construction	40.6	49.7	55.3	58.0	50.0	59.0	56.0	53.0	65.0
Public Utilities	28.4	36.6	41.5	54.0[+]	59.0[+]	65.0	73.0	72.0	89.0
Wholesale and Retail Trade	117.2	126.1	134.7	149.0	166.0	182.0	204.0	209.0	220.0
Transport and Communications	32.4	36.0	39.0	42.0	43.0	46.0	49.0	50.0	53.0
Other Activities	θ 84.8	95.0	102.8	134.0	139.0	149.0	166.0	180.0	181.0
G.D.P. at Factor Cost	865.9	954.8	1005.7	1108.0	1149.0	1188.0	1327.0	1433.0	1523.0

Notes:

[+] Estimated for consistency with levels of other years; figures for 1965-68 taken from another source.

[♦] Estimated to avoid gross disparity between figures for earlier years and those for the last four years obviously arising from changes in methodology or inclusiveness.

[θ] Includes Finance and Banking, Ownership of Dwellings and Other Activities.

[*] Figures given in Third Five Year Plan were modified to take account of discrepancies with figures from another source.

Table II

Shares of G D P at Factor Cost by Industrial Origin in Current Prices

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Agriculture, Forestry, Fishing and Quarrying	12.5	11.8	10.8	10.2	8.7	8.8	8.1	7.8	8.3
Petroleum Mining and Refining	30.4	30.0	29.0	26.8	26.2	23.9	23.7	25.4	24.0
Manufacturing	12.5	12.5	13.1	14.2	15.3	15.1	17.0	17.0	17.1
Government	9.5	9.8	10.0	9.4	10.0	10.0	10.0	10.5	10.6
Construction	4.7	5.2	5.5	5.2	4.4	5.0	4.2	3.7	4.3
Public Utilities	3.3	3.8	4.1	4.9	5.1	5.5	5.5	5.0	5.8
Wholesale & Retail Trade	13.5	13.2	13.4	13.5	14.5	15.3	15.4	14.6	14.5
Transport, Storage & Communication	3.7	3.8	3.9	3.8	3.7	3.9	3.7	3.5	3.5
Other Activities	9.8	10.0	10.2	12.1	12.1	12.5	12.5	12.6	11.9
G.D.P. at Factor Cost	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Based on the statistics in Table 1.

Table III **Annual Rates of Growth of G.D.P. at Factor Cost in Current Prices**

Sectors	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	Annual Average 1960-64	Annual Average 1964-68	Annual Average 1960-68
Agriculture, Forestry, Fishing and Quarrying	+ 3.8	- 3.7	+ 4.3	-11.5	+ 5.0	+ 1.9	+ 4.7	+13.4	- 2.0	+ 6.2	+ 2.0
Petroleum, Asphalt and Gas	+ 8.7	+ 1.8	+ 1.9	+ 1.3	- 5.6	+10.6	+15.9	+ 0.6	+ 3.4	+ 5.0	+ 4.2
Manufacturing	+10.4	+10.5	+18.8	+12.1	+ 1.7	+26.3	+ 7.5	+ 7.0	+12.9	10.6 ~~+12.2~~	+11.8
Government	+12.8	+ 7.9	+ 3.5	+10.6	+ 3.5	+10.9	+13.6	+ 8.0	+ 8.6	+ 8.9	+ 8.8
Construction	+22.4	+11.3	+ 4.9	-13.8	+18.0	- 5.1	- 5.4	+22.6	+ 5.4	+ 6.8	+ 6.1
Public Utilities	+28.9	+13.4	+30.1	+ 9.3	+10.2	+12.3	- 1.4	+23.3	+20.1	+10.8	+15.4
Wholesale and Retail Trade	+ 7.6	+ 6.8	+10.6	+11.4	+ 9.6	+12.1	+ 2.5	+ 5.3	+ 9.1	+ 7.3	+ 8.2
Transport, Storage and Communication	+11.1	+ 8.3	+ 7.7	+ 2.4	+ 7.0	+ 6.5	+ 2.0	+ 6.0	+ 7.3	+ 5.4	+ 6.3
Other Activities	+12.0	+ 8.2	+30.4	+ 3.7	+ 7.2	+11.4	+ 8.4	+ 0.6	+13.1	+ 6.8	+ 9.9
G.D.P. at Factor Cost	+10.3	+ 5.3	+10.2	+ 3.7	+ 3.4	+11.7	+ 8.0	+ 6.3	+ 7.3	+ 7.3	+ 7.3

N.B.: Average rates were obtained by taking the sum of the logs of the annual percentages and dividing by the number of periods involved and noting the average percentage change. The figures thus represent geometric average rates of growth.

Table IV

G.D.P. in Current Prices, Constant 1960 Prices and Per Capita 1960-1968

($ mill. T&T) (per capita figures in $ T & T)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
G.D.P. at Factor Cost in Current Prices	865.9	954.8	1005.7	1108.0	1149.0	1188.0	1327.0	1433.0	1523.0
Deflator (All Items Index of Retail Prices 1960 = 100)	100.0	101.1	104.1	108.1	109.0	110.4	115.5	117.9	127.6
G.D.P. at Factor Cost in Constant 1960 Prices	865.9	944.4	966.1	1025.0	1054.1	1076.1	1148.9	1215.4	1193.6
Population of Trinidad and Tobago ('000)	841	877	901	924	951	974	995	1010	1021
G.D.P. per Capita in Current Prices	1030	1089	1116	1199	1208	1220	1334	1419	1492
G.D.P. Per Capita in Constant Prices	1030	1077	1072	1109	1108	1105	1155	1203	1169

Table V **Annual Rates of Change GDP in Current & Constant Prices and of Per Capita Income**

1960 - 1968

100 [t + 1)/t]	1961	1962	1963	1964	1965	1966	1967	1968	Annual Average 1960–64	Annual Average 1964–68	Annual Average 1960–68
G.D.P. at Factor Cost in Current Prices	+10.3	+ 5.3	+10.2	+ 3.7	+ 3.4	+11.7	+ 8.0	+ 6.3	+ 7.3	+ 7.3	+ 7.3
G.D.P. at Factor Cost in Constant Prices	+ 9.1	+ 2.3	+ 6.1	+ 2.8	+ 2.1	+ 6.8	+ 5.8	– 1.8	+ 5.0	+ 3.2	+ 4.1
Deflator (All Items Index of Retail Prices)	+ 1.1	+ 3.0	+ 3.8	+ 0.8	+ 1.3	+ 4.6	+ 2.1	+ 8.2	+ 2.2	+ 4.1	+ 3.1
Population	+ 4.3	+ 2.7	+ 2.6	+ 2.9	+ 2.4	+ 2.2	+ 1.5	+ 1.1	+ 3.1	+ 1.8	+ 2.5
G.D.P. in Current Prices Per Capita	+ 5.7	+ 2.5	+ 7.4	+ 0.8	+ 1.0	+ 9.3	+ 6.4	+ 5.1	+ 4.1	+ 5.4	+ 4.7
G.D.P. in Constant Prices Per Capita	+ 4.6	– 0.5	+ 3.5	– 0.1	– 0.3	+ 4.5	+ 4.2	– 2.8	+ 1.9	+ 1.4	+ 1.6

Table VI Aggregate Consumption and Investment in Trinidad and Tobago

1960-1968 ($ million Current TT)

	1960	1961	1962	1963	1964	1965	1966	1967	1968*
Aggregate Consumption	643	698	745	862	884	966	1020	1093	1168
Public Sector	88	110	123	135	145	153	171	184	181
Private Sector	555	588	622	727	739	813	849	909	987
Aggregate Investment	286	256	298	272	280	328	294	296	340
Fixed Capital Formation	268	259	295	275	275	326	293	298	340
Public Sector	47	48	64	68	72	67	53	57	65
Petroleum Industry	102	86	107	97	93	115	100	241	275
Other Private Sector	119	125	124	110	110	144	140		
Changes in Inventory	18	-3	3	-4	5	2	1	-2	-
Consumption + Investment	929	954	1043	1137	1159	1292	1312	1389	1508
G.D.P. at Market Prices	918	1003	1062	1163	1220	1263	1398	1522	1613

Source: I.M.F. Reports: 1968 Appendix Table A; 1965 Appendix Table B.

* Figures taken from Third Five Year Plan which was also used to amend some of the I.M.F. figures.

Table VII **Shares of Consumption and Investment in Total Expenditure 1960-1968** (Percentages)

		1960	1961	1962	1963	1964	1965	1966	1967	1968
A	Consumption + Investment = Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B	Aggregate Consumption	69.2	73.2	71.4	75.8	76.3	74.8	77.7	78.6	77.5
	Public Sector % of B	13.7	15.8	16.5	15.7	16.4	15.8	16.8	16.8	15.5
	Private Sector % of B	86.3	84.2	83.5	84.3	83.6	84.2	83.2	83.2	84.5
C	Aggregate Investment	30.8	26.8	28.6	23.9	24.2	25.4	22.4	21.3	22.5
	Fixed Capital Formation % of C	93.7	101.2	99.0	101.1	98.2	99.4	99.7	100.7	100.0
	Public Sector % of C	16.4	18.8	21.5	25.0	25.7	20.4	18.0	19.3	19.1
	Petroleum Industry % of C	35.7	33.6	35.9	35.7	33.2	35.1	34.0	81.4	80.9
	Other Private Sector % of C	41.6	48.8	41.6	40.4	39.3	43.9	47.6		
	Changes in Inventory % of C	6.3	-1.2	1.0	-1.5	1.8	0.6	0.3	-0.7	-
D	Consumption + Investment as % of G.D.P. at Market Prices	101.2	95.1	98.2	99.1	97.5	103.3	96.9	94.9	93.5

Table VIII Annual Rates of Growth of Consumption and Investment 1960-1968

($ million Current TT)

	1961	1962	1963	1964	1965	1966	1967	1968	Annual Average 1960-64	Annual Average 1964-68	Annual Average 1960-68
Aggregate Consumption	+ 8.6	+ 6.7	+15.7	+ 2.6	+ 9.3	+ 5.6	+ 7.2	+ 6.9	+ 8.4	+ 7.3	+ 7.8
Public Sector	+25.0	+11.8	+ 9.8	+ 7.4	+ 5.5	+11.8	+ 7.6	- 1.6	+13.5	+ 5.8	+ 9.7
Private Sector	+ 5.9	+ 5.8	+16.9	+ 1.7	+10.0	+ 4.4	+ 7.1	+ 8.6	+ 7.6	+ 7.5	+ 7.5
Aggregate Investment	-10.5	+16.4	- 8.7	+ 2.9	+17.1	-10.4	+ 0.7	+14.9	+ 0.0	+ 5.6	+ 2.8
Fixed Capital Formation	- 3.4	+13.9	- 6.2	0.0	+18.5	-10.1	+ 1.7	+14.1	+ 1.1	+ 6.1	+ 3.6
Public Sector	+ 2.1	+33.3	+ 6.3	+ 5.9	- 6.9	-20.9	+ 7.5	+14.0	+11.9	- 1.6	+ 5.2
Private Sector	- 4.5	+ 9.5	-10.4	- 1.9	+27.6	- 7.3	+ 0.4	+14.1	- 1.8	+ 8.7	+ 3.4
Petroleum Industry	-15.7	+24.4	- 9.3	- 4.1	+23.7	-13.0	n.a.	n.a.		(1960-1966)	+ 1.0
Other	+ 5.0	- 0.8	-11.3	0.0	+30.9	- 2.8	n.a.	n.a.		(1960-1966)	+ 3.5
Changes in Inventory	—	—	—	—	Not	Significant		—	—	—	—
Consumption + Investment	+ 2.7	+ 9.3	+ 9.0	+ 1.9	+11.5	+ 1.5	+ 5.9	+ 8.6	+ 5.7	+ 6.9	+ 6.3

Table IX Trinidad and Tobago Central Government Revenue and Expenditure 1960-1968 ($ mill. Current TT)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Total Revenue	150.5	149.2	180.3	191.8	215.8	238.6	231.3	243.5	298.5
Current Revenue	148.6	145.5	174.8	184.8	203.8	206.2	214.3	226.8	268.0
Capital Receipts	1.9	3.7	5.5	7.0	12.0	32.4	17.0	16.7	30.5*
Total Expenditure	168.9	195.9	212.5	227.8	249.0	247.6	263.9	268.2	301.3
Current Expenditure	117.3	140.7	149.6	166.5	186.5	189.8	203.6	213.3	234.9
Capital Expenditure	51.6	55.2	62.9	61.3	62.5	57.8	60.3	54.9	66.4
Revenue as % of G.D.P. at Market Prices	16.4	14.9	17.0	16.5	17.7	18.9	16.5	16.0	19.8

Source: I.M.F. Reports 1965, 1968 and 1969 and Revenue Estimates 1970.

* Estimated for 1968 from figures in Revenue Estimates 1970.

Table X — Annual Rates of Change of Central Government Revenue and Expenditure

1960–1968 $[(t + 1)/t]$.

	1961	1962	1963	1964	1965	1966	1967	1968	Annual Average 1960–64	Annual Average 1964–68	Annual Average 1960–68
Total Revenue	- 0.9	+20.8	+ 6.4	+12.5	+10.6	- 3.1	+ 5.3	+22.6	9.7	8.9	9.3
Current Revenue	- 2.1	+20.1	+ 5.7	+10.3	+ 1.2	+ 3.9	+ 5.8	+18.2	8.5	7.3	7.9
Capital Receipts	+94.7	+48.6	+27.3	+71.4	+170.0	-47.5	- 1.8	+82.6	60.5	50.8	55.7
Total Expenditure	+16.0	+ 8.5	+ 7.2	+ 9.3	- 0.6	+ 6.6	+ 1.6	+12.3	10.3	5.0	7.6
Current Expenditure	+19.9	+ 6.3	+11.3	+12.0	+ 1.8	+ 7.3	+ 4.8	+10.1	12.4	6.0	9.2
Capital Expenditure	+ 7.0	+13.9	- 2.5	+ 2.0	- 7.5	+ 4.3	- 9.0	+20.9	5.1	2.2	3.6

Table XI Capital Expenditure for Development Under the Three Five Year Plans ($ million TT Current)

	1958-63	% of Total	1964-68	% of Total	1969-73	% of Total
Agriculture, Forests & Fisheries	4.8	2.2	49.5	16.2	61.5	16.2
Industry and Tourism	18.8	8.6	8.1	2.7	22.5	5.9
Petroleum	nil	-	nil	-	10.0	2.6
Transport & Communications	36.6	16.8	63.6	20.8	80.6	21.2
Electricity	38.7	17.7	62.9	20.6	40.0	10.5
Drainage and Reclamation	3.0	1.4	5.1	1.7	6.0	1.6
Education and Training	13.3	6.1	23.6	7.7	43.0	11.3
Health and Family Planning	8.3	3.8	2.4	0.8	6.4	1.7
Water and Sewerage	43.8	20.0	39.5	12.9	33.0	8.7
Housing	23.4	10.7	19.8	6.5	31.5	8.3
Community Development	2.3	1.1	3.9	1.3	20.5	5.4
Public Buildings	6.0	2.7	9.8	3.2	14.0	3.7
Local Government	13.5	6.2	5.7	1.9	7.0	1.8
Other Capital Expenditure	6.0	2.7	11.7	3.8	4.0	1.1
TOTAL PLANNED EXPENDITURE	218.5	100.0	305.6	100.0	380.0	100.0
Economic Services	101.9	46.6	189.2	61.9	220.6	58.1
Social and Other Services	116.6	53.4	116.4	38.1	159.4	41.9

Source: Draft Second Five Year Plan 1964-68, Draft Third Five Year Plan 1969-73 and Third Five Year Plan 1969-73.

N.B. Figures for 1969-73 are in 1969 prices.

Table XIIA Output of Selected Industrial Products 1960–1970

('000 Units)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Sugar (tons)			201	227	227	250	206	198	239	237	
Rum (proof gallons)			1856	1720	1466	2338	1724	1503	1524	1911	
Beer and Stout (liquid gallons)			1850	1898	1874	2162	2207	2289	2296	3320	
Edible Oil (gallons)			1951	2019	2044	2042	2011	2079	2116	2282	
Raw Oil (gallons)			2361	2365	2274	2068	2270	2334	2363		
Margarine & Lard Substitute (lbs)			5096	5836	6452	7027	7678	9732	9732	9843	
Soap (lbs)			9155	10823	10129	11446	12133	12860	12923	14270	
Cigarettes (lbs)			1886	1785	1720	1551	1718	1670	1619		
Matches (gross small boxes)			349	326	309	296	320	334	423		
Cement (tons)			163	160	173	186	209	187	207	240	
Fertilizers (tons)								595	643	685	

Source: Third Five Year Plan, Appendix Tables I, II and IV; Central Bank, Statistical Digest, 1970.

Table XIIB . **Output of Selected Industrial Products 1960-1970**

('000 Units)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Motor Vehicles Assembled (numbers)									3.2	5.6	
Animal feeds (lbs)		42,000							138400		
Baking Powder (lbs)		680							3900		
Macaroni Products (lbs)		856							2100		
Nylon Socks (dozen pairs)		1.9							39.2		
Knitted Garments (dozens)			148						317		
Shirts, Dresses, Trousers, Skirts ($)		5,500							23900		
Undergarments (ladies & children - dozens)			266						439		
Metal Beds (numbers)			1.8						6.3		
Motor Trucks (assembly: numbers)		.240							.316		
Accumulators (batteries - numbers)		...							37		
Artificial Teeth (numbers)		4,500							9200		
Spring-filled Mattresses (numbers)			15						24.9		
Paints, Enamels etc. (gallons)			532						956		
Paper & Cardboard Pkg. Materials (lbs)		3,500							11370		
Poultry - dressed (lbs)		negl.							4360		
Metal Office Furniture (lbs)		nil							900		
Chemicals (Detergents, Insecticides, disinfectants - lbs)		nil							16430		
Lubricants (barrels)		nil							980		
Petrochemicals (tons)		n.a.							238		
Motor Vehicle Tyres (numbers)		nil							8.8		
Shoes (Leather) (pairs)		negl.							279		
Metal Closures, Corks & Caps (numbers)		nil							289660		
Refrigerators (numbers)		nil							5.0	9.7	
Air-conditioning Units (numbers)		nil							1.3		
Radios and Radiograms (numbers)		nil							8.4)	17.9	
Television Sets . (numbers)		nil							5.7)		
Stoves and Cookers (numbers)		nil							14.0	14.7	

__Source:__ Third Five-Year Plan, Appendix Tables I, II and IV; Central Bank, Statistical Digest, 1970.

Table XIII

Contribution of Manufacturing Output in Trinidad and Tobago TO G.D.P. at Factor Cost (1963-1967)

($ million TT Current)

	1963	1964	1965	1966	1967	Average % Growth Rate 1963-67
Total Manufacturing	156.9	183.3	208.8	247.5	274.1	15.0%
Food	34.8	32.0	30.0	37.3	38.9	3.6%
Beverages and Tobacco	16.2	18.6	17.6	14.8	16.7	1.6%
Textiles	28.2	34.4	38.2	42.9	41.6	10.6%
Other Manufacturing (including Petrochemicals)	77.7	98.2	123.0	152.5	176.9	22.9%
	As % of Gross Domestic Product					
Total Manufacturing	14.3	16.0	17.6	18.7	19.1	
Food	3.2	2.8	2.5	2.8	2.7	
Beverages and Tobacco	1.5	1.6	1.5	1.1	1.2	
Textiles	2.5	3.0	3.2	3.3	2.9	
Other Manufacturing (including Petrochemicals)	7.1	8.6	10.4	11.5	12.3	

Source: I.M.F. Report 1968, Table 7.

TABLE XII: CAPITAL EXPENDITURE UNDER THE DEVELOPMENT PLANS, 1946 - 1973 ($TT million)

	1946-1950 (a)	1951-1955 (b)	1956-1960 (c)	1958-1962 (d)	Planned 1963 (e)	Actual 1964-1968 (f)	Planned 1969-1973 (g)	Proposed 1956 (h)	Proposed Expenditure 1957 (k)
1. AGRICULTURE, FOREST AND FISHERIES	2.09	0.79	1.33	4.8	6.2	45.7	61.5	0.73	1.23
2. INDUSTRY AND TOURISM				18.8	1.6	7.8	22.5		0.30
3. PETROLEUM							10.0		
4. TRANSPORT AND COMMUNICATION	9.78	3.78	20.88	36.6	9.5	60.4	80.6	4.46	4.35
5. ELECTRICITY	4.00	15.98	20.00	38.7	19.6	61.8	40.0	0.51	3.88
6. DRAINAGE AND RECLAMATION	6.09	2.48	1.59	3.0	0.6	5.2	6.0	0.16	0.82
7. EDUCATION AND TRAINING	1.00	3.12	5.72	13.3	4.1	25.8	43.0	1.09	1.33
8. HEALTH AND FAMILY PLANNING	6.36	3.87	4.54	8.3	0.8	2.3	6.4	1.56	1.15
9. PUBLIC BUILDINGS	5.26	0.60	5.85	6.0	0.3	7.1	14.0	1.73	1.84
10. WATER AND SEWERAGE	7.10	9.50	25.55	43.8	18.2	39.5	33.0	7.06	7.38
11. HOUSING	1.00	1.54	5.04	23.4	4.2	19.8	31.5	0.78	2.55
12. LOCAL GOVERNMENT				13.5	1.2	5.8	7.0		
13. SPECIAL WORKS				6.0	1.8	9.0			
14. COMMUNITY DEVELOPMENT				2.3	0.1	3.6	20.5		
15. URBAN AND RURAL DEVELOPMENT						0,6			
16. CENTRAL BANK						2.4			
17. MASS MEDIA AND INFORMATION							1.5		
18. OTHER DEVELOPMENT EXPENDITURE (1)						2.7	2.5		
TOTAL	42.70	41.66	90.50	218.5	68.2	299.5	380.0	18.08	24.83

SOURCES:

(a) Pages 23, 24, 25 of Ten-Year Development Scheme, 1946 - 55

(b) Page 61, Five-Year Economic Programme, Parts I - IV.

(c) Page 62, Five-Year Economic Programme, Parts I - IV.

(d) Page 88, Second Five - Year Plan

(e) Page 88, Second Five - Year Plan

(f) Page 430, Third Five - Year Plan

(g) Page 69, Third Five - Year Plan

(h) Page 62, Five-Year Economic Programme 1956-60, Parts I - IV

(k) Five-Year Economic Programme, 1956 - 60; Memorandum for 1957

(1) Includes Culture, Co-operatives and Social Welfare.

Table XV

FUNCTIONAL CLASSIFICATION OF PLAN EXPENDITURES IN TRINIDAD AND TOBAGO

1946 - 1973

(a) Millions of Dollars

	1946-1950	1951-1955	1956-1960	1958-1962	1963	1964-1968	1969-1973
1. General Administration	5.28	.60	5.88	.60	.3	.71	1.400
2. Social and Community Services	8.36	8.53	15.30	6.93	2.42	8.29	10.94
3. Economic Services	29.06	32.53	69.35	12.97	4.25	20.10	24.96
4. Unallocated	--		--	1.35	.12	.85	.70
	42.70	41.66	90.50	21.85	6.82	29.95	38.00

(b) Percentages of Total

	1946-1950	1951-1955	1956-1960	1958-1962	1963	1964-1968	1969-1973
1. General Services	12.37	1.44	6.46	2.75	.44	2.37	3.69
2. Social and Community Services	19.58	20.48	16.91	31.72	35.48	27.68	28.79
3. Economic Services	68.05	78.08	76.63	59.36	62.32	67.11	65.68
4. Unallocated	--	--	--	6.17	1.76	2.84	1.84
	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE XVI: BALANCE OF PAYMENTS OF TRINIDAD AND TOBAGO, 1951 - 1967 ($'000,000 TT)

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1. EXPORTS OF GOODS	181.8	190.8	218.4	228.3	252.3	288.9	327.8	368.6	390.3	437.3	553.6	559.9	595.0	693.4	710.5	752.7	750.2
2. FOREIGN TRAVEL	6.0	5.8	6.7	6.2	8.4	10.0	12.1	13.7	14.8	15.2	16.3	17.5	18.7	19.9	21.1	25.2	30.8
3. TRANSPORTATION	45.2	51.8	51.4	47.9	48.3	60.2	90.2	83.5	85.4	85.2	99.0	93.3	79.6	87.7	78.8	81.1	81.2
of which: Port Disbursements	41.2	48.0	46.7	43.1	42.8	52.9	77.3	70.2	73.1	67.8	78.9	70.5	61.2	66.8	56.8	55.2	57.8
4. INSURANCE	2.5	3.3	4.2	3.8	3.6	4.6	5.2	7.4	10.0	-	-	-	-	-	-	-	-
5. INVESTMENT INCOME	2.5	3.0	3.4	4.3	3.8	3.9	4.7	4.9	5.0	6.4	8.1	8.0	11.3	8.8	11.4	10.6	9.2
Including: (a) Direct Investment: Profits	.1	.2	.. .2	.2	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.5	.5	.5
(b) Interest on Gov't. Investment	1.4	1.5	1.9	2.6	1.6	1.7	2.2	2.3	2.3	1.8	2.1	2.3	5.6	3.1	6.7	8.1	8.7
6. GOVERNMENT TRANSACTIONS	4.2	4.2	4.3	4.0	4.1	4.3	4.8	4.8	4.9	7.6	7.8	4.8	7.7	8.9	10.3	11.8	9.8
7. MISCELLANEOUS SERVICES	9.2	10.4	10.7	12.0	12.1	12.3	14.6	17.8	19.3	17.7	20.1	21.0	16.9	17.3	18.1	19.3	8.5
Includes: Brokerage on Imports	5.1	5.7	5.6	6.5	6.9	7.2	8.2	9.4	10.3	n.a.	n.a.	n.a.	10.6	10.9	12.1	11.8	5.0
8. TRANSFER PAYMENTS						2.6	2.7	3.2	3.5	4.8	2.9	4.5	4.9	9.0	28.6	16.9	7.5
TOTAL GOODS AND SERVICES AND TRANSFER PAYMENTS	251.4	269.1	299.0	306.5	332.6	386.8	462.1	503.9	533.2	574.2	707.8	709.0	734.1	845.0	878.8	917.6	897.1
9. IMPORTS OF GOODS AND SERVICES	201.0	224.1	212.8	223.7	267.9	300.7	355.0	411.6	447.0	502.1	584.0	606.2	644.0	731.0	816.9	772.6	710.1
10. FOREIGN TRAVEL	5.1	5.3	5.5	6.7	6.9	8.7	11.8	12.6	14.4	17.0	18.8	21.2	18.5	19.6	20.9	22.0	31.5
11. TRANSPORTATION	20.8	24.3	28.2	31.6	31.6	7.7	8.5	9.0	12.8	15.0	21.3	23.3	19.4	20.4	17.0	23.3	28.3
Includes: Freight	16.6	18.6	22.0	23.9	25.4	n.a.	n.a.	n.a.	n.a.	n.a.	na.	n.a.	n.a.	n.a.	n.a.	n.a.	na.
12. INSURANCE	8.8	9.9	10.5	12.3	13.9	12.3	15.4	20.9	17.0	-	-	-	-	-	-	-	-
13. INVESTMENT INCOME	29.4	24.5	36.2	32.6	39.7	72.9	113.8	82.5	107.9	100.6	128.5	126.5	127.1	130.2	114.7	118.2	131.0
Includes: Direct Investment: Profits	28.2	23.1	34.8	31.2	37.7	70.9	111.8	80.5	105.9	98.6	126.5	123.5	121.8	123.2	108.9	111.0	123.6
Interest on Public Debt	1.2	1.4	1.4	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	5.3	7.0	5.8	7.2	7.4
14. GOVERNMENT TRANSACTIONS	.9	1.3	1.4	1.5	2.2	-	-	-	-	-	-	-	2.3	1.9	2.1	3.0	3.2
15. MISCELLANEOUS SERVICES	8.7	8.8	10.2	9.7	9.6	9.6	12.1	12.7	16.7	20.9	18.3	20.5	17.6	18.0	17.8	18.3	24.0
16. TRANSFER PAYMENTS						4.9	4.7	7.4	7.1	6.4	9.2	8.4	7.6	7.8	7.3	8.5	9.1
TOTAL GOODS AND SERVICES AND TRANSFER PAYMENTS	274.7	292.8	304.8	318.1	371.8	416.8	521.3	556.7	622.9	662.0	780.1	806.1	836.8	928.9	996.7	965.9	937.2

NOTES:
(a) Prior to 1956 items comprising Transfer Payments (Pensions and Remittances) were included under "Miscellaneous Services" and "Donations".
(b) Prior to 1956 figures given for "Imports" were adjusted by deducting "Freight on Imports" and "Insurance."
(c) Branches and Subsidiaries of foreign-owned Life Insurance Companies were treated as residents from 1960.

SOURCE: Central Statistical Office, Trinidad and Tobago.

Table XVII G.D.P. (AT FACTOR COST) 1956-1970 (TT$m. Current)

	a	a	a	a	a	a	a	b	b	b	b	b	c	c	c
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967*	1968	1969	1970**
TOTAL G.D.P. (At Factor Cost)	556.3	659.1	719.4	799.1	865.9	954.8	1005.7	1076.1	1134.0	1175.9	1284.9	1382.9	1523.0	1650.0	1716.0
1. AGRICULTURE, FORESTRY, FISHERIES AND QUARRYING	84.1	93.8	98.5	99.0	108.4	112.5	108.3	115.7	111.8	105.5	107.3	116.6	127.0	129.0	130.0
2. MINING AND REFINING OF PETROLEUM, ASPHALT & GAS	187.1	237.0	233.3	261.4	263.4	286.3	291.5	296.9	301.0	284.1	313.6	350.4	366.0	360.0	350.0
3. MANUFACTURING	78.2	98.6	123.6	139.4	148.8	169.2	187.4	141.7	161.8	179.2	198.4	218.6	260.0	282.0	296.0
4. CONSTRUCTION								64.4	57.3	58.6	56.2	53.2	65.0	71.0	75.0
SERVICES															
5. TRANSPORT & DISTRIBUTION	206.9	229.8	264.0	299.3	345.3	386.8	418.5	175.9	193.0	211.7	235.2	240.8	273.0	297.0	318.0
6. PUBLIC UTILITIES								43.8	53.5	64.9	73.0	72.5	89.0	95.0	100.0
7. GOVERNMENT								104.3	115.2	118.6	132.4	149.6	162.0	174.0	190.0
8. OWNERSHIP OF DWELLINGS								42.3	44.3	47.3	49.9	53.7	55.0	60.0	64.0
9. BANKING AND FINANCE								34.7	37.6	39.4	46.2	47.3	47.0	61.0	65.0
10. OTHER SERVICES								56.4	58.5	66.6	72.7	80.2	79.0	121.0	128.0

SOURCES:

a. N.I. Accounts and Annual Statistical Digest.

b. Draft Third Five-Year Development Plan.

c. Appendix to 1972 Budget Speech.

* Figures for 1956-1967 are at Factor Cost.

** Figures for 1968-1970 are at Market Prices.

Table XVIII **G.D.P. (AT FACTOR COST) 1956-1970** (Percentage)

	a	a	a	a	a	a	a	b	b	b	b	b	c	c	c
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967*	1968	1969	1970**
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
TOTAL G.D.P. (At Factor Cost)															
1. AGRICULTURE, FORESTRY FISHERIES & QUARRYING	15.1	14.2	13.7	12.4	12.5	11.8	10.8	10.8	9.9	9.0	8.4	8.4	8.3	7.8	7.6
2. MINING AND REFINING OF PETROLEUM, ASPHALT & GAS	33.6	36.0	32.4	32.7	30.4	30.0	29.0	27.6	26.5	24.2	24.4	25.3	24.0	21.8	20.4
3. MANUFACTURING	14.1	14.9	17.2	17.4	17.2	17.7	18.6	13.2	14.3	15.2	15.4	15.8	17.1	17.1	17.2
4. CONSTRUCTION								6.0	5.0	5.0	4.4	3.9	4.3	4.3	4.4
SERVICES															
5. TRANSPORT & DISTRIBUTION	37.2	34.9	36.7	37.5	39.9	40.5	41.6	16.3	17.0	18.0	18.3	17.4	17.9	18.0	18.5
6. PUBLIC UTILITIES								4.1	4.7	5.5	5.7	5.3	5.9	5.8	5.8
7. GOVERNMENT								9.7	10.2	10.1	10.3	10.8	10.6	10.6	11.1
8. OWNERSHIP OF DWELLINGS								3.9	3.9	4.0	3.9	3.9	3.6	3.6	3.7
9. BANKING AND FINANCE								3.2	3.3	3.3	3.6	3.4	3.1	3.7	3.8
10. OTHER SERVICES								5.2	5.2	5.7	5.6	5.8	5.2	7.3	7.5

SOURCES:

a. N.I. Accounts and Annual Statistical Digest.
b. Draft Third Five-Year Development Plan.
c. Appendix to 1972 Budget Speech.
* Figures for 1956-1967 are at Factor Cost.
** Figures for 1968-1970 are at Market Prices.

Table XIX

POPULATION OF TRINIDAD & TOBAGO

1960 CENSUS

AGE GROUP	MALE	FEMALE	TOTAL
Under 2	26,891	26,246	53,137
2 - 14	149,457	148,456	297,913
15 - 44	165,916	170,814	336,730
45 - 64	54,937	51,545	106,482
65 and Over	14,379	19,316	33,695
RACIAL COMPOSITION			
Negro	176,381	182,207	358,588
White	7,873	7,845	15,718
East Indian	153,042	148,904	301,946
Chinese	4,709	3,652	8,361
Mixed	65,177	69,571	134,748
Other	4,228	4,076	8,304
Not Stated	170	122	292
	411,580	416,377	827,957
TIME TREND			
1946	282,299	280,923	563,222
1931	206,619	206,164	412,783
1921	186,802	179,111	365,913
1911	174,349	159,203	333,552
1901	144,491	129,408	273,899
1960	-	-	827,957
1968	-	-	1,021,000

Source: Central Statistical Office, Population Census 1960.

Table XX

LABOUR FORCE AND EMPLOYMENT IN TRINIDAD AND TOBAGO 1964-1971

PERIOD	AGRICULTURE, FORESTRY, HUNTING & FISHING		MINING, QUARRYING and MANUFACTURING		CONSTRUCTION including ELECTRICITY, GAS & WATER		COMMERCE		TRANSPORT and COMMUNICATION		SERVICES			TOTAL	
	Labour Force	No. Employed	Labour Force	No. Employed	Labour Force	No. Employed	Labour Force	No. Employed	Labour Force	No. Employed	Labour Force	No. Employed	Never Worked	Labour Force	No. Employed
31.12.64	81,600	76,100	65,600	58,700	41,100	33,300	46,700	42,500	24,600	22,100	74,900	66,300	11,800	346,300	299,000
30.6.65	83,400	78,800	65,200	59,300	43,600	33,200	54,200	49,500	26,600	24,100	74,800	65,300	11,000	358,800	301,100
31.12.65	71,100	67,200	63,900	58,200	50,700	39,600	55,000	50,600	24,100	22,300	72,600	64,800	11,000	348,400	300,600
30. 6.66	72,500	69,400	64,500	58,500	47,800	34,900	57,200	50,700	24,800	23,900	81,500	73,400	9,900	358,300	310,900
31.12.66	66,200	62,800	70,200	56,600	46,600	36,100	54,400	49,700	23,400	22,100	78,300	72,500	11,400	350,600	299,800
30. 6.67	72,800	68,900	71,100	64,100	49,700	34,900	54,200	49,100	26,300	24,200	85,500	75,900	8,600	368,200	317,000
31.12.67	73,700	68,300	71,200	61,900	48,500	35,300	54,100	48,600	24,600	21,100	81,800	72,400	9,800	363,700	307,500
30. 6.68	76,100	72,000	63,500	55,500	50,500	36,900	56,100	50,400	23,400	21,000	84,800	75,200	9,400	363,800	311,100
31.12.68	73,200	67,400	61,900	53,300	52,700	39,600	50,400	46,200	24,600	22,100	86,800	76,200	10,600	360,200	304,800
30. 6.69	79,500	76,000	64,300	56,500	50,000	39,000	51,900	46,900	24,500	22,400	86,500	77,500	11,800	368,400	318,300
31,12.69	78,200	73,200	64,000	56,900	54,200	42,900	49,500	46,200	24,900	23,000	81,200	72,700	8,900	360,900	314,900
30. 6.70	85,600	81,800	74,500	66,800	48,400	38,400	48,400	43,600	23,700	21,700	75,000	68,000	10,600	366,200	320,400
31.12.70	79,200	73,700	73,000	64,600	57,400	45,100	48,900	46,000	21,300	19,500	70,800	65,000	10,200	360,900	313,900
30. 6. 71	75,100	71,600	71,300	63,800	60,400	47,600	47,500	44,200	23,400	21,000	78,900	72,300	10,100	366,800	320,400
31.12.71															

SOURCE: Central Statistical Office: Labour Statistics, and Annual Statistical Digest.

TABLE XXI: GOVERNMENT SPENDING IN TRINIDAD AND TOBAGO IN RELATION TO G. D. P., 1956 - 1970.

($TT million)

Year	G.D.P. at Factor Cost	Recurrent Expenditure of Gov't.	(2) as % of (1)	Average Level of Annual Capital Spending Under Plans	(4) as % of (1)	Average Annual Gov't. Spending Capital and Current (2)+(4)	Total Spending as Percentage of G.D.P. (6) as % of (1)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1956	556.3	78.4	14.1	7.8	1.4	86.2	15.5
1957	659.1	84.2	12.8	5.9	0.9	90.2	13.7
1958	719.4	97.1	13.5	31.3	4.4	128.4	17.8
1959	799.1	106.8	13.4	61.7	7.7	168.5	21.1
1960	865.9	117.3	13.5	51.6	6.0	168.9	19.5
1961	954.8	140.7	14.7	55.2	5.8	195.9	20.5
1962	1005.7	149.6	14.9	69.9	6.3	212.5	21.1
1963	1076.1	166.5	15.5	61.3	5.7	227.8	21.2
1964	1134.0	186.5	16.4	62.5	5.5	249.0	22.0
1965	1175.9	189.8	16.1	57.8	4.9	247.6	21.1
1966	1284.9	203.6	15.8	62.9	4.9	266.5	20.7
1967	1382.9	216.6	15.7	54.4	3.9	271.0	19.6
1968	1523.0	232.4	15.3	72.4	4.8	304.8	20.0
1969	1650.0	254.8	15.4	70.9	4.3	325.7	19.7
1970	1716.0	283.9	16.5	120.9	7.0	404.8	23.6

SOURCE: Data for the years 1956 - 1959 were taken from a study of the Growth of Public Expenditure done in 1963 while I was on the Staff of the Ministry of Finance; date for 1960 - 1965 were taken from Table IX; data for 1966 - 1970 were taken from Table XX of the Statistical Appendix to the 1972 Budget Speech.